Doing the splits
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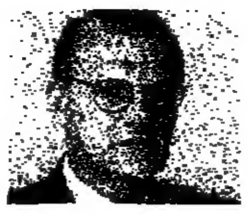

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FINANCIAL TIMES

Europe's Business Newspaper FRIDAY FEBRUARY 26 1993 D8523A

Clinton to hold first summit with Yeltsin in April

Russian president Boris Yeltsin (left) and US president Bill Clinton (right) will hold their first summit on April 4. A venue has still to be decided.

Mr Clinton is concentrating on finding ways of helping Russian reforms and of engaging Moscow in global problems, including peace in former Yugoslavia. Page 16; Major ends visit, Page 4

Gonzalez pledge on peseta: Spain's prime minister Felipe Gonzalez, who faces waning public support, divisions within his Socialist party and market pressure on the peseta, rejected calls for an early general election. He insisted Spain would remain within the European exchange rate mechanism. Page 16

G7 faces storm clouds: Finance ministers of the the Group of Seven advanced industrial nations and central bank governors meet in London tomorrow needing to establish rapport if they are to tackle a range of severe economic difficulties. Page 16

Boost for Royal Dutch/Shell: Profits at the multinational oil company rose 8 per cent last year to £3.12bn ($4.46bn) despite lower oil prices and a loss in its chemicals business. Page 17; Lex, Page 16; Details, Page 24; Top two at Showa to quit, Page 22

Bosnia air relief: The United States will conduct humanitarian air drops over Bosnia as a temporary measure to supplement land convoy deliveries of relief aid, President Clinton announced. US message, Page 3

Bank of England under attack: Fresh doubts were cast on the effectiveness of the Bank of England as chief regulator of the City of London in a parliamentary report critical of its handling of the Bank of Credit and Commerce International collapse. Page 9

Equitable, troubled US insurance group in which France's Axa holds a 49 per cent stake, reported an after-tax loss of $28.9m in the final three months of 1992, compared with a $246.9m deficit in the same period of 1991. Page 17

SKF, the world's leading roller bearing maker, has scrapped its dividend after slumping to a SKr1.8bn ($237m) loss in 1992. The result reflects the impact of depressed markets, restructuring and heavy losses within Ovako Steel. Page 17

GM fund runs out of cash: Up to 11,000 blue-collar General Motors workers are expected to be indefinitely laid off next week as a company fund to keep unneeded workers on full pay runs out of money. Page 16

US move on Airbus subsidies: US trade representative Mickey Kantor has asked for consultations with the European Community over subsidies to Airbus Industrie. He intends to seek assurances that loans to the consortium are being repaid on time. Page 5

UK deficit narrows: The UK's trade deficit with countries outside the European Community was cut to £1.02bn in January from December's record £1.34bn. Page 9

British N-plant radiation leak: A leak of radioactive iodine 129 was reported at the Sellafield nuclear plant in Cumbria, northern England. It follows a plutonium discharge earlier this month. British Nuclear Fuels said there was no danger to workers or nearby residents.

Vin exports ordinaires: French exports of wines and spirits fell 1.5 per cent last year to FFr34.2bn ($6.2bn) overall, the first annual decline in 20 years. Wine exports dropped 2.9 per cent.

Iran plea for flood aid: Tehran has appealed for international help after floods killed 500 people and caused damage estimated at $1bn.

Hindu leaders held: Thousands of Indian police using teargas and water cannon arrested leaders of the main Hindu nationalist Bharatiya Janata party at a proscribed rally in New Delhi.

Amato wins vote but corruption investigation draws in more leaders

Italy's crisis deepens as key figures face probes

By Robert Graham in Rome

THE ever-widening investigation into corruption in Italy yesterday claimed three more leading figures in the political and business worlds, deepening the crisis over bribes and illegal financing of political parties. Mr Giorgio La Malfa resigned as leader of the small Republican party immediately after being notified he was under investigation for alleged illicit financing of the party.

Mr Giampiero Pesenti, a top industrialist whose group includes Italcementi, the country's largest cement company, was granted bail by Milan magistrates, pending charges of alleged corruption and illicit funding of political parties. He is alleged to have paid L7bn ($4.5m) each to the Christian Democrats and Socialists concerning power industry contracts. Mr Lorrenzo Necci, head of the state railways, was last night also warned he was under investigation.

The three cases, although unrelated, combined to overshadow yesterday's no confidence debate in parliament. The Amato government emerged from the debate with the full support of the four coalition parties, heading off what at one stage this week threatened to be a major crisis.

The allegations against Mr La Malfa relate to some L50m received by the party from the Lombardy industrialists association, money derived from professional training courses funded by the European Community.

The corruption investigations have now acquired an unstoppable momentum. Mr La Malfa is the second party leader to be directly affected. Two weeks ago, Mr Bettino Craxi was forced to step down from the leadership of the Socialist party having received 11 warrants advising him he was under investigation for alleged corruption.

Although Mr La Malfa, aged 53, is likely to be asked to stay on as leader of Republicans, his image has been badly damaged. He has gone out of the way to promote the Republicans, who won 4.5 per cent of the vote last April, as "the party of honest people". But the threat of losing one of the most dynamic members of the younger generation of Italian politicians underlined the way in which the corruption scandals are eroding Italy's political class.

Prime minister Giuliano Amato addresses the Italian parliament before yesterday's vote of confidence

The business class is being equally damaged now. The charges against Mr Pesenti, who is on the board of eminent Italian business groups including Fiat and Mediobanca, follow the arrest on Monday of Mr Francesco Paolo Mattioli, Fiat's chief financial officer. Mr Mattioli was still being detained yesterday in a Milan jail on charges allegedly relating to pay-outs on a metro contract.

In a grim reminder of the human tragedy involved, the body of Mr Sergio Castellari, a former director at the ministry for state shareholdings, was found yesterday near Rome. Police said he had committed suicide.

Mr Castellari had been wanted for questioning over the alleged inflated price paid by ENI, the state oil concern, to Ferruzzi Montedison for the latter's 40 per cent stake in the chemical group, Enimont. His was the seventh suicide connected to corruption investigations since last June.

Mr Necci was served notice of investigation for his role in the Enimont deal. At the time, he was Enimont's president.

With so many businessmen and politicians now being implicated, moves are afoot to prevent the investigation getting out of hand. Mr Giovanni Conso, justice minister, said it was urgent to find a solution which both addressed the legal problems of guilt and prevented an entire political and economic elite from disappearing.

Amato survives, Page 2

EC agrees strategy for future of steelmaking

By Andrew Hill in Brussels

INDUSTRY MINISTERS in the European Community yesterday agreed on a broad strategy to support Europe's ailing steelmakers, but divisions emerged over which countries should bear the brunt of deep cuts in capacity.

Ministers and the European Commission said it was now up to EC steelmakers to put forward concrete proposals for wide-ranging capacity cuts by the end of September. Except in special cases, closures – which could cost EC producers 50,000-100,000 jobs – will have to be carried out by the end of 1994. The Commission believes 30m tonnes must be cut in crude steel, and 20m tonnes in rolled products.

The Commission is expected to submit formal proposals to ministers at their meeting in May, but Mr Martin Bangemann, EC industry commissioner, welcomed yesterday's agreement as "a very significant step" towards the salvation of the EC industry.

French and British ministers leapt to the defence of their own efficient industries. They suggested the main burden of capacity cuts would be borne by Italian, Spanish and east German industries, which they said had yet to carry out necessary restructuring programmes.

In return, Mr Giuseppe Guarino, the Italian industry minister, said Rome would not be prepared to approve an EC-wide plan, unless the Commission and member states backed his government's proposals for a L650bn ($420.4m) recapitalisation of state-owned steel producer, Ilva.

Mr Claudio Aranzadi of Spain said his country was committed to its controversial plan to subsidise steelmaking in the volatile Basque country in return for capacity cuts elsewhere. The Commission has indicated that the balance between aid and cuts in Spain will have to be altered.

Mr Günther Rexrodt, German economics minister, distanced himself from German industry predictions that up to 40,000 jobs would be lost in the domestic industry, and said it was up to steelmakers themselves to decide where cuts should be made. But he admitted the German government might soon be faced with

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■Petrochemical investment halted■9,000 jobs cut worldwide■£949m exceptional charge

ICI splits in two and narrows horizons

By Paul Abrahams in London

IMPERIAL CHEMICAL Industries, the UK's manufacturing flagship since the 1920s, yesterday signalled an end to its ambitions to be one of the world's leading chemical groups.

Britain's biggest manufacturer announced it was cutting 9,000 jobs worldwide, would split in two and would cease investment in the petrochemicals and chlor-alkali industry.

Sir Denys Henderson, chairman, announcing the largest restructuring in UK industrial history, said ICI would split in June, creating a separately quoted company called Zeneca.

Zeneca, with annual sales of about £4bn ($5.6bn), would consist of ICI's drugs, agrochemicals and seeds, and speciality chemicals businesses. ICI shareholders will receive one Zeneca share for each ICI share. The group's shares rose 70½p to £11.52½.

Mr Ronnie Hampel, chief operating officer and the new ICI's designated chief executive, said ICI was in the middle of the longest recession since the 1930s.

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Page 19
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"We are restructuring ICI so it can face the future. The world is becoming ever more demanding. There will be slower growth over the next five years because of shortage of capital. We must prepare for a harsher competitive environment."

The group announced 9,000 worldwide job losses over the next three years. About half – 4,500 – will be in the Britain, representing about 10 per cent of ICI's UK's 44,000-strong workforce. About 7,000 jobs will be lost from the new ICI and about 2,000 from Zeneca. The combined groups' head count will fall to about 105,000.

ICI reported a £384m pre-tax loss for the year to December 31, following an exceptional charge of £949m, including £516m for rationalisation. Sir Denys said the outcome was not satisfactory, but was in line with the experience of the company's peer group in the world chemical industry.

Sir Denys said there might be an improvement in trading conditions during the second half of the year and that both ICI and Zeneca would improve on last year's results during 1993. New ICI's operating profits fell from £324m in 1991 to £148m last year, on turnover of £8.89bn. Zeneca's trading profits dropped from £682m to £587m.

ICI maintained the dividend at 55p, although it was paid wholly from reserves. ICI and Zeneca will each pay a dividend of 27.5p for 1993.

The split must be confirmed by an extraordinary general meeting in May. Zeneca will raise about £1.3bn through a rights issue, underwritten by S.G. Warburg and BZW. The proceeds will be used to reduce ICI's debts, presently at £2.3bn. The new ICI will have net debts of £600m and Zeneca £400m.

Mr Hampel said last year's net cash outflow of £454m was unacceptable given the group's target of being cash-flow neutral. Standard & Poor's, the credit rating agency, yesterday downgraded ICI's debt from double A minus to A plus, citing the higher cyclicality and lower profitability of the chemical operations.

Mr Hampel said: "ICI in its new form will be a performance-driven, no-frills cost-conscious entity. Non-performing activities will have to be dealt with more quickly than in the past. We must be more ruthless."

Petrochemicals and chlor-alkali production did not make sense in the long-term, explained Mr Hampel. The case for additional investment could not be made. He said the businesses would not be sold, but could be integrated into joint ventures.

Bundesbank urges action on east German 'solidarity pact'

By David Waller in Frankfurt and Quentin Peel in Bonn

THE Bundesbank yesterday called for urgent action to conclude the long negotiations in Bonn between the government, the federal states and the opposition on a "solidarity pact" to revive the east German economy.

In its most outspoken intervention to date, the central bank stepped up pressure on the politicians to bury their broad differences over the size and shape of extra taxes needed to finance soaring spending in the east.

"It is imperative that the phase of controversial discussions does not last much longer," said Mr Hans Tietmeyer, Bundesbank vice-president. "Business needs clarity about what the whole package of measures means, and it needs it soon."

His call suggests growing concern in Frankfurt at the prospect of weeks if not months of further negotiations, causing uncertainty in the financial and currency markets, and reducing the room for the Bundesbank to make further cuts in its lead interest rates.

It came as the opposition Social Democrats in the German parliament unanimously approved proposals, including sharp increases in taxation from July 1, and excluding any cuts in social spending – in broad contradiction to the government's plans.

Mr Tietmeyer said public spending cuts should be no less than those proposed by the finance ministry, amounting to some DM20bn ($12.4bn) a year. He warned that the scope for further tax increases was slim from an economic viewpoint, and that the burden of taxes and other contributions was already high in Germany in comparison to other countries.

"A further substantial increase (in the tax burden) could damage the long-term competitive position of German business," he warned. On the positive side, he said wage developments this year had been a victory for good sense, referring to the 3 per cent settlement for public sector workers.

On to the outlook for further cuts in interest rates, Mr Tietmeyer said that money supply

Continued on Page 16

■ STOCK MARKET INDICES

FT-SE 100:	2,828.7	(+11.7)
Yield	4.27	
FT-SE Eurotrack 100	1,125.86	(+9.01)
FT-A All-Share	1,381.52	(+0.3%)
Nikkei	16,987.39	(+108.45)
New York: lunchtime		
Dow Jones Ind Ave	3,344.61	(−11.89)
S&P Composite	438.92	(−0.95)

■ US LUNCHTIME RATES

Federal Funds:	3%
3-mo Treas Bills: Yld	2.983%
Long Bond	$103\frac{3}{32}$
Yield	6.827%

■ LONDON MONEY

3-mo Interbank	$6\frac{7}{16}$%	($6\frac{1}{8}$%)
Liffe long gilt future:	Mar $103\frac{7}{8}$	(Mar$103\frac{1}{16}$)

■ NORTH SEA OIL (Argus)

Brent 15-day (April)	$18.84	(18.81)

■ Gold

New York Comex(April)	$330.6	(330.4)
London	$329.65	(330.05)

■ STERLING

New York lunchtime:		
$	1.43	
London:		
$	1.43	(1.437)
DM	2.3375	(2.3275)
FFr	7.9375	(7.8925)
SFr	2.17	(2.1525)
Y	168.9	(same)
£ Index	76.3	(76.0)

■ DOLLAR

New York lunchtime:		
DM	1.63385	
FFr	5.5585	
SFr	1.5188	
Y	117.365	
London:		
DM	1.6345	(1.6195)
FFr	6.55	(5.4925)
SFr	1.5175	(1.4985)
Y	117.5	(116.85)
$ Index	66.3	(66.1)

Tokyo close Y 117.53

Austria	Sch30	Greece	Dr300	Lux	LFr60	Qatar	QR12.00
Bahrain	Din1.250	Hungary	Ft192	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr60	Iceland	IKr180	Morocco	MDh13	Singapore	S$4.10
Bulgaria	Lw25.00	India	Rs40	Neth	Fl 3.75	Slovak Rp	Kcs45
Cyprus	C£1.00	Indonesia	Rp3600	Nigeria	Naira20	Spain	Pta200
Czech Rp	Kcs45	Israel	Shk5.90	Norway	NKr16.00	Sweden	SKr15
Denmark	DKr15	Italy	L2700	Oman	OR1.50	Switz	SFr3.20
Egypt	E£4.50	Jordan	JD1.50	Pakistan	Rs35	Syria	S£50.00
Finland	FM12	Korea	Won 2500	Philippines	Pso45	Thailand	Bht50
France	FFr8.50	Kuwait	Fils.600	Poland	Zl 22,000	Tunisia	Din1.250
Germany	DM3.30	Lebanon	US$1.25	Portugal	Es215	Turkey	L7000
						UAE	Dh11.00

CONTENTS

Amato survives second confidence vote

By Robert Graham in Rome

THE Amato government yesterday survived its second vote of confidence in the space of three weeks, demonstrating yet again the absence of a viable alternative to the current four-party coalition.

During the debate Prof Giuliano Amato, the prime minister, announced that the referendum on electoral reform would be held at the end of April. This is as early as permissible under the terms of the recent constitutional court judgment allowing the referendum.

By announcing the date, the prime minister has set a clear political timetable, and the government's main aim appears to be to last until electoral reform can be introduced to permit fresh elections.

The lira substantially strengthened as the outcome of the vote became clear.

The markets' nervousness over the fragility of the coalition in the wake of Sunday's cabinet reshuffle pushed the lira to an historic low of nearly L990 against the D-Mark; but yesterday the Italian currency was being traded at L963.

Mr Amato had originally claimed it was unnecessary to seek a verdict from the chamber of deputies on the reshuffle, which involved the introduction of three new ministers.

However, but strong criticism of his handling of the ministerial changes from withinhis own Socialist party and the Christian Democrats obliged him to seek a vote of confidence.

His Socialist critics claimed he had ignored the party's interests in rearranging the portfolios; while the Christian Democrat old guard were upset by his attempts to dislodge Mr Giuseppe Guarino, the industry minister.

In the end these criticism proved no more than long distance sniping.

All four parties backed the government, giving 310 votes on a required majority of 288, and with 265 against.

Nevertheless, the government coalition remains fragile and the position of Mr Guarino is unresolved.

Mr Amato openly told parliament he would have liked to have removed him but he refused budge and as prime minister had no constitutional power to force him.

The debate also revealed the growing contradiction between Mr Amato's view of his government as being above party issues and the coalition partners, who believe their views should be fully represented.

Italy's 'honest party' trips up

La Malfa's plight is seen as poetic justice, writes Robert Graham

ONCE Mr Giorgio La Malfa learned yesterday he was under investigation for alleged illicit financing of his Republican party, he had little option but to resign from the leadership.

Ever since Milan magistrates began investigations into political corruption a year ago, Mr La Malfa has sought to present the Republicans as "the party of the honest". In May he even boasted how the party was not involved.

Some of Mr La Malfa's critics felt his being caught in the magistrates' investigatory net was a form of poetic justice. But Italian politics risked losing – albeit temporarily – one of the few national figures capable of renovating the moribund postwar party structure.

Son of the long-time leader of the Republicans, Mr Ugo La Malfa, the 53-year-old economist has been in the forefront of those arguing for a shake-up of the traditional party system.

His open manner, clear membership of a new generation and apparent personal integrity gave him an influence out all proportion to the size of the Republican party. His party won just 5 per cent of the vote in last April's general elections.

The party's tradition as a stronghold of the Italian liberal intelligensia and its potential as a government coalition partner gave added weight to Mr La Malfa's position.

He took over as party leader in 1987 and became the first Republican to break the postwar alliance with the ruling Christian Democrats. He refused to join the seventh Andreotti government in June 1991. This was done largely out of pique because the party was not offered the portfolios of its liking. Nevertheless, Mr La Malfa was able to represent this subsequently as a policy decision – cutting free from a discredited system of coalition government.

Since then Mr La Malfa has effectively been in opposition, flirting with the former communist Party of the Democratic Left (PDS), the populist Lombard League and dissidents in the Socialist and Christian Democrat parties such as Mr Mario Segni, the referendum movement leader. In these contacts he has sought to find a new and wider majority to rule during the current transition period with the specific task of introducing electoral reforms and supervising economic austerity. A minority within his party has challenged this oppositional role at a time of such national emergency.

Champion of party political clean-up joins those under investigation

Well before his resignation the Republicans had begun to be implicated in the ever-widening corruption scandal.

In particular a former Republican appointee on the board of Enel, the national electricity authority, has begun to make a series of damaging allegations about the latter's pay-offs to political parties, including the Republicans.

These developments obliged Mr La Malfa to call a special party congress on March 12 to consider the party's involvement in political corruption and to seek a new endorsement for his mandate as party leader. Then last week Mr Giorgio Meddri, former political secretary of the party and a close friend, was arrested for allegedly receiving illegal funds for the Republicans.

It is still uncertain whether the party will accept Mr La Malfa's resignation. But in the meantime the plight of Mr La Malfa, symbolising the progressive decapitation of the Italian political class by the corruption scandal, is likely to speed up discussion of ways to limit the scope of the magistrates' investigations.

Mr Giovanni Conso, who became justice minister 12 days ago, said his ministry was working on proposals to tackle the phenomenon of corruption that took account of both the legal and politico-economic considerations at stake. He said it was vital to come up with a quick solution.

La Malfa: boasted last year his party was not involved

Finns learn to live with sacrifices

Economy faces painful truths, writes Christopher Brown-Humes

COMPILE a list of the ailments inflicting west European economies right now, and it will soon be apparent that few countries are in a worse condition than Finland.

"We have lost our eastern market, our western market and our domestic market," says Mr Tarmo Valkonen, the head of forecasting at the Research Institute of the Finnish Economy.

Record unemployment, massive foreign debt, international recession, huge banking losses, and the collapse of trade with the former Soviet Union are the key symptoms and causes of a crisis which has seen GDP shrink by 10 per cent over the last two years – more than it did in the depression of the 1930s.

As if things were not bad enough, the Finns have had more bad news in recent days.

Kansallis-Osake-Pankki, the country's leading commercial bank, has predicted negative 1993 GDP growth of 0.5 per cent, reversing last autumn's forecast of 1.5 per cent growth.

The Ministry of Finance has also just scaled down its previous forecast of 2 per cent growth to zero, partly because of continuing recession in many key export markets.

"We are in an acute crisis, the worst crisis in decades. And the recession elsewhere in Europe is making matters worse," said Mr Sixten Korkman, director-general of the Ministry of Finance.

Finland is paying the price for its over-dependence on a single export market – the former Soviet Union – and over-reliance on one particular sector – forestry.

However, it is also undergoing a painful period of readjustment after the boom years during the 1980s when the property and share markets became grossly over-heated.

A total of 18.6 per cent of the workforce is now out of work and many economists predict the figure will exceed 20 per cent before it starts to fall. The worst hit sectors have been construction, manufacturing and retail.

Falling tax revenues and high unemployment pay-outs have sent debt soaring. Foreign debt will rise to FM250bn ($42bn) this year, while net interest payments on it will reach FM27bn.

For 1993 alone the state's net borrowing requirement is estimated at almost FM80bn, pushing up state debt at the year end to nearly 50 per cent of GNP compared to just 16.5 per cent at the end of 1991.

The fear of further aggravating the debt burden means the centre-right coalition government has so far ruled out any package to stimulate the economy. "There is nothing to hand out, just sacrifices," said Mr Iiro Viinanen, the finance minister.

Confirming this, the government this week announced a new FM9.3bn savings package for 1994 to ensure state spending does not exceed target.

The government is pinning all its hopes on export-led recovery, and on that score at least, there is cause for optimism. The 30 per cent drop in the value of the markka that has resulted from two devaluations over the last 16 months has led to a dramatic improvement in the competitiveness of Finnish industry.

Last year exports grew by 9 per cent, and this year they are predicted to rise by 11 per cent.

But even here, there is reason for caution, with demand weakened in the country's main export markets, such as Germany, Sweden and the UK.

The government, led by prime minister Mr Esko Aho, appears to be under no immediate threat, partly because there is no concensus about alternative courses of action. Nevertheless, business leaders have recently become uncharacteristically outspoken in their criticisms.

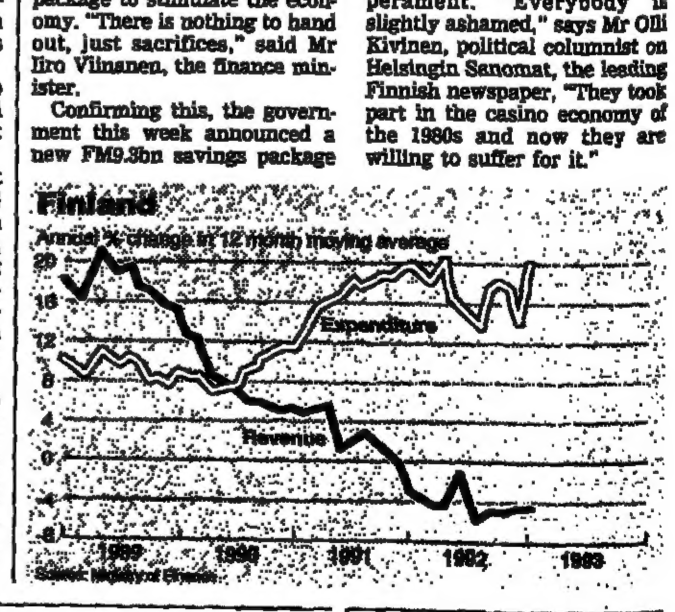
Mr Pertti Voutilainen, the head of Kansallis-Osake-Pankki implied a lack of decisive political leadership when he said recently that he did not know the prime minister's opinions on the European Community, nuclear power policy, or the country's banking difficulties. The government was able to get FM20bn in additional support for the banking sector several weeks ago but not before parliament rejected a broader package which would have done more to instill confidence in the country's financial system.

The turnround in the Finnish economy should finally become apparent next year, when 2-3 per cent growth is predicted. Apart from the stimulus of higher exports, the country is now in a lower interest rate phase which is expected to lead to higher investment.

One surprising thing is that the pain has been endured with little outcry. Some put that down to the national temperament. "Everybody is slightly ashamed," says Mr Olli Kivinen, political columnist on Helsingin Sanomat, the leading Finnish newspaper, "They took part in the casino economy of the 1980s and now they are willing to suffer for it."

FINLAND's centre-right government yesterday voted in favour of building a fifth nuclear power plant, ending weeks of division on the issue. The project still faces a difficult passage through parliament, with a final decision expected in May, writes Christopher Brown-Humes.

The plant would be built on the site of one of the existing power stations at Lovilsa or Olkiluoto, with completion expected around the year 2000. The Finnish utilities, IVO, TVO and PEVO have already received bids from potential suppliers.



Spending power in UK below EC average

By David Gardner in Brussels

BRITISH people's real spending power fell well below the average of continental Europeans in 1991, according to Eurostat, the EC statistics office in Luxembourg.

The UK thus joined Spain, Ireland, Portugal and Greece at below the average per capita income of the Community – but without being poor enough to get the heavy funding earmarked for these member states to enable them to catch up.

Nevertheless, the European Commission proposed on Wednesday that the Merseyside and Highlands and Islands regions of the UK be made eligible for the highest levels of EC regional aid. These are devoted to Europe's most backward areas – and put the two UK regions on a par with the south of Italy, Spain and Portugal, western Ireland and northern Greece.

Eurostat calculates that gross domestic product (GDP) per head in the UK in 1991 was 95.5 per cent of the EC average, based on purchasing power parities. This is obtained through adjusting GDP by the ratio between prices for comparable goods in different countries.

In "real" or purchasing power terms, therefore, the UK income per head in 1991 was Ecu14,732 ($17,383) against an EC average of Ecu15,432. Top of the list was Luxembourg at Ecu19,636 per head, followed by Germany (Ecu18,345), and France (Ecu17,250 per head). Italy as a whole was substantially above the UK at Ecu15,890 per head.

Of the four poorest countries below the average line, Spain, the best off, is well below the UK at Ecu11,964 per capita – or 77.6 per cent of the EC average – with the very poorest, Greece, at Ecu7,397, or 48 per cent.

German businessmen see deeper recession this year

By Ariane Genillard in Bonn

GERMAN entrepreneurs see no prospect of a domestic economic improvement in 1993 and are instead planning further production cuts and redundancies, according to a poll of business opinion by the German chambers of commerce and industry, the DIHT.

The survey, which takes the pulse of 20,000 companies in west Germany and more than 5,000 in the east, suggests that the number of businessmen believing the economy will slip further into recession is steadily increasing.

In western Germany, 48 per cent of entrepreneurs see the state of the economy worsening, compared with 31 per cent last autumn. Only 10 per cent of them see the future with confidence, compared with 18 per cent six months ago. Further job cuts are to be expected, with employers blaming high labour costs as the main cause. Investment plans are to be revised downwards and structural problems are apparent in all sectors of the economy, the report says.

"The recession is widening and a spiraling economic decline cannot be ruled out any longer," Mr Franz Schoser, chief executive of DIHT, said yesterday.

What hopes there are for a recovery are pinned on economic growth in the US, a moderate growth in salaries and a further reduction in interest rates, he added.

But uncertainty over the future economic policy of the federal government is aggravating feelings of instability among business men and hampering investments. In western Germany, 43 per cent of companies are planning to invest less this year, compared with 34 per cent last autumn.

Despite the recent appreciation of the dollar against the D-Mark, more than a third of businessmen expect no immediate rise in their exports.

However, glimmers of hope come from eastern Germany where the mood is slightly less pessimistic. While more entrepreneurs there also believe that the overall economic situation is worsening, a third of them expect the situation in their own companies to improve. This is slightly more than in the last survey.

The most optimism is in the trade, services and construction sectors. Food stuffs, luxury and consumer goods are the targets of increased investment. In general, the level of investment is continuing to increase, showing the sustained efforts of companies to improve productivity.

The most gloomy note from the east concerns the rapid rise in wages, with some 50 per cent of all manufacturers fearing that their very survival is threatened by the drive for equalisation with the west. A fifth of say they will reduce unemployment while over half of them see no change.

IG Metall to assist unions in east Europe

By David Goodhart, Labour Editor

GERMANY'S IG Metall, the biggest and most powerful union in Europe, has announced a programme of assistance for the weak and divided unions of eastern Europe to support economic and social "fair play" in those countries.

The union has described the assistance programme as the biggest solidarity initiative in its history.

With some assistance from the European Commission it will be spending about DM2m (£800,000) on support for trade unionists in Hungary, Poland, Romania, Bulgaria, the Czech Republic, Slovakia, Russia, Belarus and the Ukraine.

Mr Franz Steinkühler, head of IG Metall, said that his union and the East European unions had a common interest in seeing the gap in the standard of living between western and eastern Europe closed as quickly as possible.

"We need to act together to stop governments and inward investors playing us off against each other," he said.

The first bilateral agreement has been signed between IG Metall and the Hungarian Metalworkers Union, Vasas, which provides for training Vasas officials, visits to Germany, and close German-Hungarian union co-operation when German multinationals set up plants in Hungary.

The IG Metall initiative is also designed to reduce competition between reformed "old" unions and new unions. In the Czech and Slovak republics the unions have broken completely with their past but in Hungary there is still tension between old and new unions.

1.5m lodge property claims

By Judy Dempsey in Berlin

FEWER than 15 per cent of all property claims in the former East Germany have been settled, and it will take another decade to resolve the outstanding claims, officials at the federal office for property questions said yesterday.

In its first comprehensive report since December 31, 1992, when all restitution and compensation claims had to be registered with the local authorities, it shows that 1.5m people applied to claim 2.5m titles on property.

Of that figure, over 119,700 claims for enterprises have been made, of which 23.16 per cent have been settled. Over 2m claims for houses have been registered, but only 281,902 have settled.

Under the amended terms of the 1990 law on restitution and compensation of property in east Germany, not all property can be returned to their original owners, and compensation is neither full norcalculated at current prices.

In principle property confiscated by the former east German communist regime between 1949 and 1990 can be returned, as well as property confiscated between 1933 and 1945.

But compensation for the latter is calculated on the value of property in the 1930s, while a a ceiling of DM300,000 ($180,000) has been recommended by the finance ministry for property confiscated after 1949.

Moreover, in an effort to attract foreign companies to eastern Germany, the 1990 law for reclaiming property was amended by giving investors a priority over the claimant. This priority was granted provided it could be proved that the claimant could not match the company's investment plans for the property in question.

Stalin's nuclear city goes on the market

By Leyla Boulton in Moscow

ONE of Russia's most secret cities has taken on western privatisation experts to help it sell off shops, restaurants and small businesses.

Tomsk-7, its secrecy denoted by the number, was created by Stalin in 1949 to help the Soviet Union make a nuclear bomb.

Set in the heart of Siberian forestland, the town is still so heavily guarded that even a trip to the beach involves crossing a Russian equivalent of Checkpoint Charlie, lest intruders try swimming across from the other side of the Tom river.

It is still closed to foreigners, and even Russians from other parts of the country. Its main role is to produce enriched uranium and plutonium for nuclear weapons. A spin-off is to supply 40 per cent of the heating for the neighbouring city of Tomsk.

Barbed-wired gates to the town slam shut behind a bus carrying in a team from the International Finance Corporation, the World Bank's investment arm, and another set of gates bar the way ahead. A guard from Russia's internal troops checks passports.

The restrictions on visitors to the town will go once its remaining two military reactors are closed, Mr Yuri Krasnov, the city council chief, says, although the Russian Atomic Energy Ministry says this is unlikely to happen until the year 2000.

It says a new power plant has to be built for Tomsk and a new centre made ready to cleanse ageing plutonium which needs replacing in nuclear warheads not earmarked for destruction.

The difficulties of shifting Russia's military-industrial machine mean that Tomsk-7 will continue to produce new plutonium to renew existing warheads for the foreseeable future.

The task of adjusting is especially hard for a town of 100,000 inhabitants geared to just one thing. As one IFC official put it: "Does anyone know how to restructure a closed city which makes plutonium?"

"Two years ago we could not even invite foreigners here," says Mr Krasnov, who keeps in his office a portrait of Andrei Sakharov, the nuclear physicist turned human rights champion.

A straw poll of residents asked about privatisation showed support for any reform which might improve supplies of food and consumer goods that were once among the best in the country thanks to the city's special status.

The IFC's brief is to try to help do just this. However, Mr Nikolai Proponenko, Tomsk-7's deputy mayor, has also been quick to ask for IFC help in finding investors or customers for the larger establishments which are its main source of employment.

The city's chemical works, said to devote just 10 per cent of its capacity to producing components for nuclear weapons, is looking, for instance, to market extra-powerful magnets and metallic powders for the ceramics industry.

"Apart from the service sector we have nothing that can generate new jobs," Mr Proponenko explained. "We cannot change the profile of the industry we already have."

The city of Tomsk, which yesterday held its first auction of medium and large-scale enterprises, is also to become a launch-pad for Estée Lauder to distribute cosmetics in Siberia, writes Leyla Boulton.

Mr Igor Piltsov, an entrepreneur and local council member, said his company, Stix, had an agreement with Estée Lauder to set up shops in Tomsk and other western Siberian cities such as Novosibirsk, Kemerovo and Novokuznetsk. Mr Piltsov said the US cosmetics company had sent an architect to help him design a shop in Tomsk and sales staff had been trained in Moscow, where Estée Lauder is already established. A pot of face-cream costs Rbs5,000 (£6.3) at current exchange rates, or the minimum monthly rouble wage.

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US message in Bosnian air-drop plan

By Jurek Martin in Washington

PRESIDENT Bill Clinton's plan for high altitude air-drops of relief supplies into Bosnia is intended to highlight not only his humanitarian concerns but to demonstrate a new US willingness actively to engage in European security problems.

At his press conference with Mr John Major, the British prime minister, on Wednesday afternoon, he said he had been assured by General Colin Powell, chairman of the joint chiefs of staff, that operations could be conducted at minimal risk to US pilots.

He conceded that high altitude air-drops might not be optimally accurate, but that it was planned "to leaflet the area in advance" so that if any loads fell outside the intended half-mile target area they could easily be located.

Mr Major again endorsed Mr Clinton's proposals in US television interviews yesterday morning and the administration thinks it is in the process of lining up enough allied support to minimise objections to the initiative.

Ms Jennone Walker, of the White House national security council, said that even if Russia could not assist in this particular operation it was administration's general policy to offer Moscow "a constructive role in European security, including a military role".

In an address to the European Institute here, Ms Walker contrasted the new US engagement in European security issues with that of the Bush administration, which, she said, saw the unravelling of the former Yugoslavia in purely humanitarian terms and had down-played US strategic interests.

"The Yugoslav tragedy," she said, "illustrates that military power still matters in Europe".

She added that beyond the airdrops, "I think you will see us willing to use force again on a case-by-case basis, but in a variety of combinations." She cited possible umbrellas for action as the UN, the Conference on Security and Co-operation in Europe and Nato.

Mr Clinton had also stressed the continuing US commitment to find a negotiated settlement in Bosnia, though neither he nor Mr Major specifically endorsed the existing Vance-Owen plan dividing up the country into semi-autonomous provinces. Mr Major said he had "no view" on its merits and Mr Clinton said it might be difficult to monitor and enforce from a peacekeeping point of view.

Moslem enclaves may fall to Serbs

By Laura Silber in Belgrade

SERB forces are close to seizing control of some of the Moslem enclaves in eastern Bosnia targeted for air drops of emergency relief supplies, according to western diplomats in the Serbian capital.

They said a string of hamlets around the village of Cerska, where thousands of Moslem refugees may be located, is the most vulnerable to Serb forces. The town of Srebrenica is also under threat. Diplomats say it may house as many as 70,000 people, twice its pre-war population.

Despite earlier warnings by Serb military leaders that the air drop risked spreading the war, Bosnian Serb commanders yesterday issued an order not to shoot at US aircraft, according to Tanjug, the Belgrade news agency. The statement coincided with intensified preparations for the US operation. Western diplomats in Belgrade said leaflets written in Serbo-Croat describing the operation could be dropped in a matter of hours.

Meanwhile relief workers returning from the north-eastern city of Tuzla said conditions were rapidly deteriorating in the largest of a handful of government strongholds in the area.

Bosnian military leaders said support to Tuzla is essential and pleaded for the opening of the city airfield for humanitarian relief.

"It would provide immediate access for aid to hundreds of thousands of people," said a western diplomat.

Swamped with refugees forced from their homes by Bosnian Serb forces, Tuzla's population of 720,000 is barely coping, even though it has received 10 UN convoys in the last few months. It is not under direct attack, but it has been cut off by Croat and Serb forces. Relief workers estimates energy reserves will last six weeks.

If Tuzla is not opened up, diplomats are worried that the city will descend into chaos.

Limited ground-based relief operations continued elsewhere in eastern Bosnia.

Digital to phase out Irish plant

By Alan Cane in London, Tim Coone in Dublin and James Buxton in Edinburgh

DIGITAL Equipment, the troubled US computer maker, is closing its manufacturing facility in Galway, Ireland, with the loss of 780 jobs.

Work will be phased out over the next 12 months, the company said yesterday. Its European software development and distribution headquarters in the same area, with 350 employees, will be retained.

In Dublin, Mr Ruari Quinn, minister for enterprise and employment, said the decision was "a major disappointment".

There was intense lobbying by the UK and Irish governments when it seemed Digital would choose between Ayr, Scotland, or Galway for closure. The Irish government has asked the European Commission informally to investigate UK government incentives, which Dublin suspects helped to keep the Ayr plant open.

Manufacturing will also continue at South Queensferry, Scotland, where the Alpha microprocessor, said to be the fastest in the world, is made.

Mr Edward McDonough, Digital's vice-president for manufacturing, said the closure was part of a three-year restructuring programme. The Galway operations would not go to Ayr but to other Digital plants.

The decision had been made on the basis of manufacturing efficiency and not for social reasons.

Once the world's leading minicomputer manufacturer, Digital has been hit by changes in the computer industry which have cut the profit margins on computer hardware.

French bid to win UK TV accord

By Andrew Hill in Brussels

MR Dominique Strauss-Kahn, the French industry minister, said yesterday he supported plans to concentrate the EC's advanced television strategy on the development of wide-screen television programmes and equipment.

Mr Strauss-Kahn, in Brussels for a meeting of EC industry ministers, said he thought such an approach might win the support of Britain, which is blocking an earlier attempt to pump Ecu500m (£414.5m) of funding into high-definition television (HDTV) over the next five years.

France has been one of the leading advocates of an aggressive HDTV strategy, partly because Thomson, the French electronics manufacturer, has invested heavily in the original "Mac" family of HDTV standards promoted by the European Commission.

Britain opposes funding because it believes the Mac standards are being overtaken by digital HDTV technology developed in the US.

Mr Martin Bangemann, the EC industry commissioner, said last week there was no need for Europe to develop its own exclusive digital HDTV standards, because European companies – including Thomson, and Philips of the Netherlands – were already bidding to produce the US technology.

Mr Strauss-Kahn agreed yesterday that European companies were playing a leading role in developing digital technology, but he said digital HDTV might not arrive before 2005. Mr Bangemann has indicated that digital HDTV might be possible as early as 1997.

French left discovers green bolthole

But political re-grouping spells trouble for recently formed ecologist coalition, writes Alice Rawsthorn

ASSEMBLÉE NATIONALE

Elections '93

BRICE Lalonde, the energetic head of Generation Ecologie, is plastered all over the French press these days. He is pictured breakfasting with his children for Paris-Match, cycling with his wife in Le Nouvel Observateur, and even sniffing a spring of parsley on the cover of VSD.

The publicity is scarcely surprising. Mr Lalonde, 47, who resigned last year as socialist environment minister, is a pivotal figure in the French electoral campaign. Some polls suggest that GE's alliance with the idealistic Greens could win second place, ahead of the socialists and behind the conservatives, in next month's parliamentary elections.

Mr Lalonde is also in the limelight as a central player in the "political big bang" announced last week by Mr Michel Rocard, former premier, to create a centre-left coalition of socialists and ecologists.

Until now, Mr Lalonde has steered an independent path, spurning the socialists' suggestions of an electoral alliance and flirting inconclusively with the conservatives, but he has been much more positive in his response to Mr Rocard, the man who appointed him to the French cabinet in 1988.

Mr Antoine Waechter, 44, head of the Greens, immediately rejected the Rocard proposals. Mr Lalonde praised his former boss and cordially invited him to join GE in the current campaign.

The split between Mr Lalonde and Mr Waechter over the Rocard plan is the first significant sign of strain between the two ecologist parties since the start of the parliamentary campaign and could mark the return of their old rivalry.

The Green party was the dominant force in French environmentalism until Mr Lalonde formed GE in 1990.

But whereas the Green party sees itself as an ideological movement, GE is a product of contemporary French politics. It is committed to environmental issues. Mr Lalonde, former head of Friends of the Earth, left the cabinet after a row over conservation. But GE is far less radical than the Green party in key areas, notably nuclear power, where it advocates tighter regulation of waste, rather than an outright ban.

Mr Lalonde has cleverly positioned it as a bolthole for socialist sympathisers who are disillusioned with their own scandal-scarred party after a decade in power, but who can not bring themselves to vote conservative. Even before the Rocard plan he made no secret of his hopes that GE would eventually be a linchpin in regrouping of the French left.

Until recently the two ecologist parties were at loggerheads. The crunch came at last year's regional elections when they clashed in separate campaigns and won a combined 14 per cent of the vote, a significant advance on the Greens' 3.8 per cent in the 1988 parliamentary elections and even on their 10.6 per cent in the 1989 European elections.

Mr Waechter, well aware that other ambitious Greens, such as Ms Dominique Voynet, the 34-year-old party spokeswoman, were snapping at his heels, agreed in November to join forces with GE for the parliamentary poll.

So far the campaign has gone smoothly. Mr Lalonde, Mr Waechter and, increasingly, Ms Voynet, have presented a united front. There have been no ideological squabbles, possibly because the emphasis of campaigning has been on possible liaison with the established parties, rather than on the ecologists' own policies.

The ecologists have also benefited from the steady stream of scandals and gloomy economic news that has haunted the socialists. The latest polls give theecologists 15-20 per cent of the vote, leaving them, thanks to idiosyncracies of the French electoral system, with between 2 and 12 of the 577 parliamentary seats.

The pollsters have not yet had a chance to gauge the impact of Mr Rocard's proposals. The ecologists are confident it will give them another boost in the polls. It may well do so. But once the elections are over and Mr Rocard starts to assemble his alliance, his "political big bang" may prove just as explosive to the ecologists' coalition, as to his prime target, the socialists.

Brice Lalonde, 47, Parisian journalist who founded Génération Ecologie in 1990. Previously in mainstream politics as the Socialists' environment minister. Stormed out of cabinet last year, in protest at its conservation policy. Has since concentrated on GE, helped by his wife, Patricia, his communications director. Greens see him as political opportunist.

Antoine Waechter, 44, classic product of 1968 student riots, now heads the Greens and embodies idealistic side of French environmentalism. Was president of the local nature group at 16 and read ecology at university. After career in environmentalism, now faces toughest challenge. Has to stave off threat from Génération Ecologie, and from within his own party.

Strikes sweep France

By Alice Rawsthorn in Paris

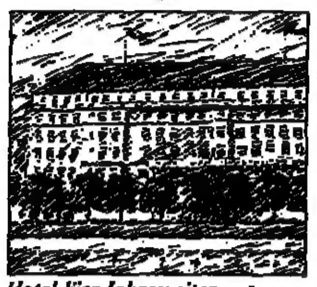
FRANCE'S beleaguered socialist government yesterday faced a barrage of strikes and demonstrations across the country from farmers, dockers, scientists and factory workers.

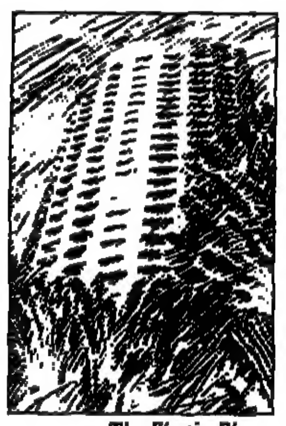
Militant farmers blocked the Paris-Lille motorway with tractors in protest against the fall in potato prices. The port of Dunkirk was disrupted by dockers protesting against the government's dock reorganisation scheme.

The socialists, already embarrassed by this week's violent demonstrations by fishermen and facing humiliating defeat in next month's parliamentary elections, have for some time been plagued by protests from farmers and dockers.

However the government now faces industrial action from public sector employees. The staff at the National Centre for Scientific Research in Meudon-Bellevue yesterday protested against the proposed closure of the site, which employs 400 people.

There was also a strike at Syseca, a subsidiary of Thomson, the state-controlled electronics group, in Toulouse, in protest at job cuts.





NEWS: THE AMERICAS

Smokers may face higher taxes

By George Graham in Washington

PRESIDENT Bill Clinton warned yesterday that smokers may face higher tobacco taxes to help pay the cost of giving everyone access to healthcare.

"I think we are spending a ton of money in private insurance and government tax payments to deal with the healthcare problems occasioned by health habits, particularly smoking. It's costing us a lot of money," Mr Clinton said yesterday. "You do have to find some way to recover some revenues to cover people who now don't have coverage."

Higher tobacco taxes are reported to figure on a list of potential ways of raising money to pay for overhauling the healthcare system, which Mrs Hillary Clinton, who heads the White House task force, is now working on, along with other "sin taxes" such as alcohol and gun levies.

The Los Angeles Times said yesterday that Mrs Clinton had ruled out the option of taxing employees on the health insurance benefits they receive from their companies, viewing this as too damaging to her husband's chances of being re-elected president in 1996.

Mr Clinton said he had not ruled anything out, and White House officials said a number of revenue options remained under consideration. Healthcare reform is likely to save money over the long term; it is seen as essential if the federal budget deficit is to be brought into check, because health programmes such as Medicare and Medicaid are the fastest-growing items of government spending.

Extending coverage to the 35m people who do not have employer-provided health insurance, but are not poor enough to qualify for Medicaid, is expected to cost anywhere from $12bn (£8.40bn) to $44bn a year. Costs of subsidising long-term nursing home care could drive the bill higher.

The Congressional Budget Office estimates that treating employer-paid health insurance as a taxable benefit where it exceeds a reasonable average could bring in $113bn over five years, and would introduce stronger incentives to curb medical inflation.

Drought declared over in California

By George Graham

CALIFORNIA'S five-year drought is officially over, after last weekend's snow storms in the Sierra Nevada capped a wet winter, bringing reservoir levels close to normal levels.

Governor Pete Wilson declared the drought ended this week, but warned citizens they should not give up their water conservation measures. Officials had been reluctant to declare the drought over, for fear Californians might resume their old ways of profligate water use, but Los Angeles has received 23 inches of rain during this winter season.

But water experts warn that the ground has dried up so much since 1986, the last wet year, that it may take several years for it to be replenished.

The drought has hurt California's farmers, who account for over 60 per cent of the state's 50bn-gallon-a-day water consumption, harmed forests through insect infestation flourishing in the dry conditions, and ravaged fisheries, with salmon stocks particularly low. California has always depended on billions of gallons of water being pumped to irrigate farms, water suburban lawns and fill city bathtubs in defiance of its basically arid conditions.

Rainfall is usually low, averaging less than 10ins in San Diego, 14 in Los Angeles and 20 in San Francisco, but since 1987 it has ranged between 61 per cent and 86 per cent of these normal levels.

Reservoirs had dropped by last year to little more than half their normal levels, and the snowpack on the Sierra dwindled.

Los Angeles considered building a water pipeline from Alaska, but instead rationed water supplies for 13 months during the worst of the drought, and retains curbs on watering lawns and hosing pavements. The city of Irvine installed parallel plumbing systems in some office buildings to allow "grey water" from washing to be recycled for flushing.

Britain's PM heaps praise on Clinton after Washington visit

Major confident on US relations

By Philip Stephens, Political Editor, in Washington

BRITAIN'S prime minister, Mr John Major, left Washington yesterday offering lavish praise for President Bill Clinton's domestic and foreign policy agenda and voicing confidence that the arrival of a Democrat in the White House would not weaken Anglo-US relations.

Reviewing his first meeting with the new president, Mr Major said he was "in no doubt whatever" that he was committed to an early conclusion of the Gatt world trade talks. Mr Major said he had been given the clear impression that the US would not seek to re-open the so-called Blair House accords on farm trade which would be at the heart of any trade deal.

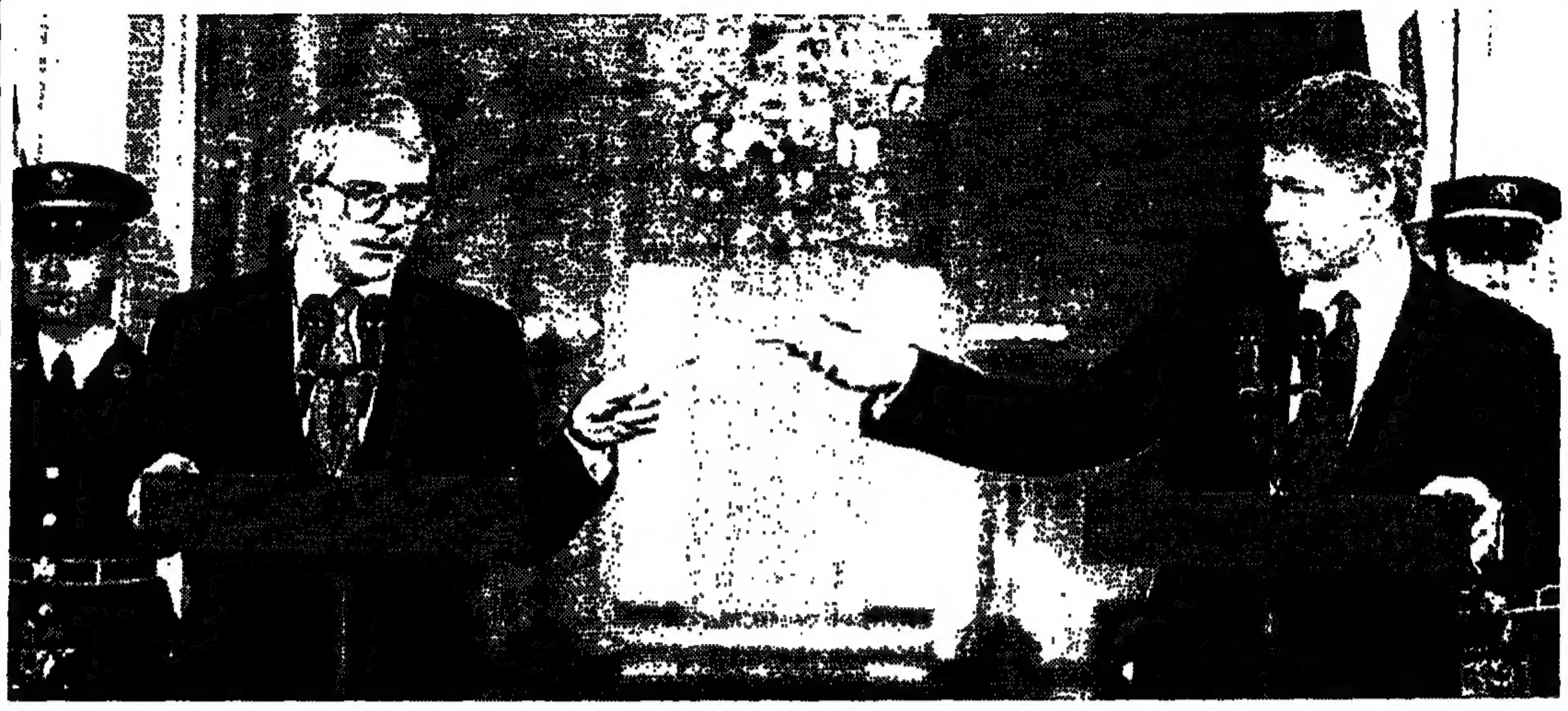
He also gave a broad hint that he settled with Mr Clinton the terms under which a US emissary will be despatched to Northern Ireland. The two had agreed on the priority of a political settlement between the communities in the province, Mr Major said.

The president, in the UK view, is under intense pressure from Congress to meet his campaign pledge to take an active role in Ulster. The US political perspective is that this pressure is, by Washington standards, very modest. Nevertheless, Mr Clinton is expected to announce the "fact-finding" mission within the next week or so. Mr Tom Foley, the speaker of the House of Representatives, may be asked to lead it.

The prime minister was determined to demonstrate this week that he could establish a good relationship with Mr Clinton.

He summed up their meeting with the comment: "I don't think the relationship could have been any more natural and easy than it has been."

But in a series of interviews with the main US and UK television networks yesterday Mr Major found himself pushed on to the defensive in defending his domestic policies in Britain. Several of the interviewers pressed him on the rising youth crime rate in the UK and on the high and rising level of unemployment. He admitted that the government had made mistakes but insisted that the policies were in place to generate sustained economic recovery.



Making their points. Mr John Major (left) and President Bill Clinton gesture at each other during their joint news conference in the White House

Premier makes music in a minor key

The UK leader's visit was cordial if unexciting, writes **Philip Stephens**

MR JOHN MAJOR came to Washington to make friends. He left yesterday convinced that during his first encounter with President Bill Clinton he had made a start.

The British prime minister could not claim that his visit had stirred the excitement of a Washington establishment preoccupied with the new administration's domestic programme. For its part, the local media's interest in Britain this week has focused on the murder in Liverpool of two-year-old James Bulger rather than on the warmth of Mr Major's reception at the White House.

Nor did several hours of talks with Mr Clinton yield any diplomatic breakthroughs on the issues facing the US and Europe. The days have gone when Republican presidents and Conservative prime ministers would jointly pre-empt the decisions of their allies.

But for Mr Major the trip had a limited objective. He had to prove that he could get on with a Democratic president; that British influence in Washington had not vanished with the departure of Mr George Bush; and that Mr Clinton would not seek retribution for the help offered by the Conservatives to the Bush campaign.

The president's calculated generosity during their joint appearance at the White House allowed Mr Major to claim he had succeeded.

Mr Clinton deferred to Mr Major's greater experience of foreign policy issues. He went out of his way to underline his commitment to the transatlantic "special relationship". He reminded reporters that he was one of only two presidents who had lived in England. To the visible relief of Mr Major's entourage he made light of the British government's decision during the presidential campaign to rummage through his Home Office files for evidence of youthful wrongdoing.

For his part, Mr Major suppressed his private doubts about the US decision to air-drop supplies into eastern Bosnia, declaring it a "brave" and "imaginative" initiative. He also heaped lavish praise on Mr Clinton's programme to reduce the US budget deficit. It is not often that you hear Conservative prime ministers offering plaudits for tax increases.

There was none of the natural chemistry apparent during Mr Major's meetings with Mr George Bush or the then Mrs Margaret Thatcher's encounters with Mr Ronald Reagan. But the prime minister had already scaled back once extravagant claims for the relationship. And Mr Clinton, side-stepping awkward questions about Northern Ireland and playing down differences over trade issues, had clearly decided there was nothing to be gained from a public snub.

The substance of the two leaders' discussions also offered Mr Major cause for satisfaction, if not celebration. His claim that there had been a "meeting of minds" over the need to conclude the stalled Uruguay Round of world trade talks perhaps went too far. Mr Clinton speaks still of the need for "fair" trade, a coded demand for more concessions from his partners.

But the tone of the president's comments – and suggestions by US officials that extension of congressional "fast-track" approval arrangements for any Gatt accord will be for months rather than years – reinforced the view that he does want a settlement this year. "I got no sense of a protectionism president," Mr Major said with some justice.

There were differences between the two men: over the "map" of Bosnia being proposed in the peace negotiations between the warring factions in the former Yugoslav province; over the remit for an American emissary to Northern Ireland; and over a raft of transatlantic trade disputes concerning steel, Airbus and public procurement.

The activism in international economic management which Mr Clinton expects of the Group of Seven countries may be difficult to square with the limited expectations which Mr Major has of joint action to manage demand in the world economy. But this week at least the differences remained below the surface. Mr Clinton was generous. Mr Major was mightily relieved.

ANGLO-AMERICAN ties may be on a sounder footing, but this was not apparent from the politically conscious and correct neckwear worn by both sides on Wednesday, writes Jurek Martin in Washington.

At their joint press conference, Mr John Major wore a proper Tory blue tie. His attendant aides – Sir Robin Renwick, the UK ambassador, Sir Robin Butler and Sir Roderick Braithwaite from Downing Street – were similarly attired. Ms Sarah Hogg wore a blue dress.

But President Bill Clinton's tie was a shocking neo-socialist red. Vice President Al Gore, Mr Anthony Lake, the national security adviser, and Clifton Wharton, deputy secretary of state, all wore varying shades of red.

Only Mr Ray Seitz, US ambassador in London, was neutral – a darkish polka dot. But his tenure is in doubt.

Concern at lag in filling top posts

By Jurek Martin in Washington

DISCONTENT is mounting in Washington over the slowness of the White House in approving appointments to senior sub-cabinet positions in the new administration.

The concern, now being voiced by some members of the new cabinet, has been heightened this week by the admission to hospital of Mr Les Aspin, defence secretary. Yesterday, Mr William Perry, selected to be his deputy, finally appeared before Senate committee confirmation hearings, but meanwhile, the Pentagon's civilian command rests with a middle-level appointee of President George Bush.

The Justice Department is still also under hold-over Republican management pending confirmation of Ms Janet Reno as attorney-general. No other senior Justice nominations have been made, including that to the important position of solicitor-general.

Open or veiled criticism of the process has come this week from Mr Federico Pena, transportation secretary, Mr Mike Espy, agriculture secretary, and Mr Henry Cisneros, who runs the housing and urban development department.

According to yesterday's New York Times, the White House has so far submitted only 30 names to fill the nearly 300 positions subject to Senate confirmation – about half the pace of the Carter and Reagan administrations at the same stage. This includes 21 nominees advanced earlier this week in an apparent attempt to deflect public criticism.

Two reasons are cited for the delay. First is the painfully slow process of background checks conducted by the White House and FBI. These have been made all the more laborious by the need to ensure there are no skeletons in the household closet, such as afflicted Ms Zoe Baird and Judge Kimber Wood, both candidates for attorney-general.

The second is the White House insistence on ethnic, gender and geographic diversity in senior appointments. A list submitted by Mr Cisneros was reportedly rejected because it contained too many New Yorkers. More common complaints concern the intensity of the search for women and members of racial minorities.

Meanwhile, several prospective and likely nominees are already working in their respective departments, but often on a temporary basis or as consultants without formal bureaucratic authority.

Mr Aspin was released from his four-day hospital stay yesterday, saying he was "fully recovered" from complications arising from a heart ailment and would quickly resume a full schedule at the Pentagon.

Peru pledge clears aid hurdle

By Stephen Fidler, Latin America Editor, in New York

THE US administration intends to back a financial support programme for Peru, having been satisfied during talks with Peruvian ministers that the Lima government intends to address US concerns about human rights.

The concerns, relating chiefly to the treatment of political prisoners and the harassment of human rights groups, had led the administration to delay a financial package designed to help Peru clear its arrears with the World Bank and International Monetary Fund.

Assurances were given to the US this week in Washington by Mr Jorge Camet, Peru's finance minister, and Mr Fernando Vega Santo Gadea, justice minister. A State Department official said the commitments were sufficient to restart moves towards the completion of the package, which includes a short-term bridge loan of nearly $2bn to allow Peru to clear arrears with the IMF and World Bank.

However, the commitments would be monitored as the multinational support package, which is being arranged under the leadership of the US and Japan, moves towards fruition.

The arrangement to clear Peru's arrears with the IMF was to have come before the IMF board this week, but was postponed because of US concerns. It could now come up as early as next week. Clearing arrears with the IMF and the World Bank will allow them to resume lending.

The delay was seen as an indication that the US intends to link foreign aid with human rights and democracy in recipient countries.

Citicorp to make new loans to Brazil

By Stephen Fidler

CITICORP, Brazil's largest foreign bank creditor, will make substantial new loans to Brazil under the debt restructuring package now before international banks.

Under the accord, agreed late last year, banks can choose between six options, most of which involve exchanging old loans for concessional bonds, but one of which allowed banks to make new loans of $100 for every $550 of existing exposure.

Mr William Rhodes, vice-chairman of Citicorp, said that the bank would convert some of its exposure into concessional bonds, but that "the largest single commitment would be to new money". US regulators had no objection to Citibank taking this position.

Citibank has so far profited from a policy of lending new money where possible in so-called Brady debt restructurings, and has opted to do so in Mexico, Venezuela, Uruguay and the Philippines.

The secondary market prices of the debt have risen considerably in most cases since the agreements went into effect.

However, the Brazilian package is regarded as more uncertain than most of the preceding debt agreements, in part because as yet there is no agreement between Brazil and the International Monetary Fund, and most banks are not seen as likely to provide new funds.

Mexico pressed over TV concessions

By Damian Fraser in Mexico City

THE Mexican government is coming under growing pressure to rule on the granting of concessions for 62 new local TV stations, which are reported to have gone to Televisa, Latin America's largest media company.

Award of the concessions to Televisa would enable it to complete its third national network in Mexico, but threatens to complicate the sell-off of Mexico's state-owned TV channels 7 and 13, due to take place by June. Televisa already has about 80-90 per cent of Mexico's TV audience, and further expansion would make it much harder for the buyers of the two state-owned channels to compete.

Newspaper reports have suggested the two state channels might fetch $500m. They would provide the only effective competition to Televisa, a self-proclaimed supporter of Mexico's ruling Institutional Revolutionary Party, in power for the past 63 years.

One of the favoured bidders for the state-owned channels said: "The government does not realise the importance of this. If they make the concessions it will be very difficult to compete. The most important part [of the privatisation] is the rules of future competition. We are obviously concerned."

Televisa has all but announced that it has been awarded the concessions. A spokesman said: "We expect an announcement soon." been promised the concessions. A communications ministry spokesman said a decision had still to be made.

The government will soon have to confront Televisa's "Plan Amigo", which gives free advertising spots to companies promising not to advertise elsewhere. Given Televisa's dominance of the TV market, the arrangement may make it hard for future competitors to entice advertisers away.

NEWS: WORLD TRADE

Kantor asks EC for talks on Airbus

By Nancy Dunne in Washington

MR Mickey Kantor, the US trade representative, yesterday said he has asked for consultations with the EC over Airbus subsidies and intends to seek assurances that loans made to the consortiums are being repaid on schedule.

Although the Clinton administration has reassured the EC that it will hold to the bilateral Airbus agreement, reached last July, a series of public statements by both President Bill Clinton and Mr Kantor have demonstrated the administration's continuing preoccupation with Airbus, as conditions in the US aerospace industry have worsened.

In the last month the US industry has announced thousands of job losses at McDonnell Douglas, Boeing and Pratt & Whitney.

The president raised his concerns about Airbus at a lunch on Wednesday with Mr John Major, the British prime minister.

He also told Boeing workers last Monday that he hoped it was not "too late" to counter the alleged $26bn (£18.3bn) in subsidies paid by the Airbus governments.

Announcing the consultation request in a radio interview yesterday, Mr Kantor affirmed the US right to request special consultations under the agreement, which prohibited all future production supports, including supports for sales and marketing, and limited funding for aircraft development to 33 per cent of total development costs.

The agreement also established strict terms and conditions for the repayment of development funds advanced by governments.

According to the US trade representative's office, interest rates on the funds must be set at close to market levels, which are "significantly higher than those charged in the past by Airbus governments". The pact had strict "transparency" requirements.

It said the EC would have to make available a complete list of funds disbursed or committed, information on repayment, and any changes in commitments which make conditions "more favourable to Airbus".

In yesterday's interview, Mr Kantor continued the provocative tone which the administration – like the Congress – has been taking towards the EC since coming to power.

"The Europeans," he said, "have screamed like pigs stuck under a gate" in response to "fairly mild" US actions taken to open markets.

He also said he would meet again with Sir Leon Brittan, the EC commissioner in charge of trade, next month.

Mr Kantor said he is studying legislation announced on Wednesday by Senators Max Baucus and John Danforth, which would bring dumping and countervailing duty complaints against Airbus.

It would also take a leaf from the book of the Airbus partners by helping to finance a consortium to develop the next generation of US aircraft.

Senator Baucus said the US government would not stand by while the largest US export industry "falls victim to a European aerospace industry that would not even exist if it were not for the treasuries of France, Spain, Germany and the UK."

Nothing in the bilateral Airbus pact restricts the rights of US producers' to file unfair trade cases.

If they do, however, the EC can – after consultations – terminate the Airbus agreement.

Furthermore, any cases brought by the US industry would risk alienating European customers

Such a course of action would still not affect the sale of subsidised Airbus aircraft to the rest of the world.

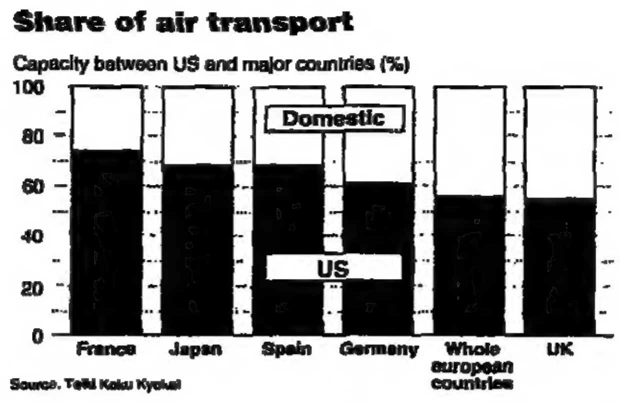
US-Japan feud takes to the air

Michiyo Nakamoto reports on the dispute over an aviation accord

HARDLY a week passes without a simmering trade dispute between Japan and the US threatening to flare up into an all-out trade war.

This week, officials from the US and Japan are meeting in Washington to try to avert a potentially damaging row over aviation rights which has already triggered threats and counter-threats of retaliation.

At stake is a large market for Asian-Pacific air travel from Tokyo, an area expected to be one of the largest growth markets for the industry.



Source: Tetsi Koku Kyokai

The Japanese airline industry believes that its entire international operation could be at risk and it is watching the outcome of the talks very closely.

The current confrontation began with the refusal by Japan to allow United Airlines, the US carrier, to extend its New York-Tokyo flights to Sydney. Under a bilateral aviation accord signed between the US and Japan in 1952, US carriers have what are known as "beyond rights".

These give permission to carry passengers not only from the US to Japan but from there on to a third destination.

United saw the Japanese refusal as a violation of its "beyond rights" and took the matter to the US Department of Transport, which also ruled that Japan had violated the bilateral aviation accord. Japan's Ministry of Transport maintains that the flight is not an extension of the New York-Tokyo route but for all practical purposes a separate flight that is aimed at eating into the market for travel between Japan and Australia.

The two countries' aviation accord states that US airlines should serve primarily US-Japan traffic.

US carriers exercising "beyond rights" to a third destination out of Tokyo should be carrying mainly US passengers, not Japanese passengers, to that destination.

However, given the extra travelling time a Tokyo stop over entails, it is highly unlikely that United will be carrying mainly US passengers via Tokyo.

"It is nothing less than an attempt by United to take Japanese passengers away from Japanese airlines," says an official at the Ministry of Transport. Japan is prepared to give United the go-ahead on condition that passengers from Tokyo to Sydney be restricted to less than 50 per cent. That, for the Japanese, would be in line with the stipulation that the primary route be between the US and Japan.

The US says that it is impossible to quantify what is meant by primary route in the aviation accord.

From the US point of view, Japan's refusal to grant United unrestricted "beyond rights" is an attempt unilaterally to redefine the bilateral accord in order to protect the country's airlines from international competition.

"In order to keep JAL viable, it was necessary to keep market share at all costs," says a US industry official. The Japanese Ministry of Transport is trying to protect the Japanese market by reining-in other countries' rights and restricting foreign carriers' slots at Narita Airport and at Kansai, which is scheduled to open in 1994, the US official says.

Japanese officials admit to being protective of their air traffic. If US carriers, which have a much lower cost-base than the Japanese, are allowed to compete for business from Tokyo to destinations other than the US, Japan's airlines will be devastated.

"The supply-and-demand balance will be upset and we will see what the US domestic industry is seeing – excessive competition leading to prices below cost," says Mr Chikara Sugimoto, director of international affairs at JAL.

But what Japan is most concerned about is that if United is allowed unrestricted "beyond rights" to Sydney now, it could set a precedent for US airlines wanting to break into the most profitable routes Japanese airlines have: Tokyo to Europe.

"It is a matter of life or death for Japanese airlines," says Mr Sugimoto. The dispute has led Japan to take an unusually firm stance against the US, with Japanese aviation officials promising retaliation if the US attempts to penalise Japanese carriers for the government's stance.

The feeling in Tokyo is that the US is taking excessive liberties with a bilateral accord that was signed more than 40 years ago when the aviation industry was dominated by US carriers and direct long-distance air travel was impossible. That view is shared by other countries such as Thailand and France which have abrogated their aviation treaties with the US. The UK in 1977 renegotiated its US aviation accord.

Meanwhile, Australia, which is also concerned about losing its share of travel to and from Japan, has put in a formal request to Northwest Airlines to limit one of its three flights from Tokyo to Sydney to US passengers only.

The Japanese government may have to push for a renegotiation of the aviation accord, a Ministry of Transport official said. However, as this would be politically difficult, Japan would prefer to reach agreement on how to define "primary route" as stipulated in the accord.

"It is a question of interpretation and application," JAL's Mr Sugimoto says. As aviation authorities face each other across the negotiation table, retaliation may have been averted for the time being. But as similar agreements between the US and Japan have shown, a difference of interpretation is usually the most difficult gap to breach.

Indians buy E German mill

By Judy Dempsey in Berlin

DALMIA, one of India's largest private companies, yesterday moved closer to establishing a bigger foothold in Europe following its purchase of a cellulose and paper mill in the eastern German state of Thuringia.

The purchase of Zellstoff- und Papierfabrik Rosenthal, which was arranged by the Treuhand, the agency responsible for the privatisation of east German industry, coincided with the visit by Chancello: Helmut Kohl to south-east Asia.

The enterprise, which has an annual production capacity of 150,000 tons of sulphite and cellulose, and 6,000 tons for paper production, last year achieved a turnover of DM153m (£64.8m). Traditionally, its turnover was earned on the domestic market, but following a restructuring by the Treuhand, which cost DM46m, sales to west European countries now account for 90 per cent of turnover.

Dalmia, whose activities range from cigarette, cement and chemical production to the textile and paper industry, has agreed to invest DM70m in the company immediately, and a further DM150m in the next two years. It will also guarantee 405 of the 550 jobs for three years. Dalmia's total turnover last year was $725m, $500m earned through exports.

Meanwhile, the Treuhand earlier this week announced it had reprivatised, or sold back to the original owners, more than 5,750 enterprises from 13,183 restitution claims.

Hollywood script for actors in trade talks

By Nancy Dunne

MR Jack Valenti, president of the Motion Picture Association of America, yesterday attacked the EC for "building barricades between them and us" while removing barriers between its member states.

The US government must not "cut and run" at the Uruguay Round trade talks, he said. Enraged by a number of EC directives governing broadcasting, satellites and rental rights, he said the EC is regulating "every nook and cranny of the audio-visual landscape" to restrict US access to its market.

The colourful former aide to President Lyndon Johnson warned that without full national treatment for US films and television programmes in the EC, "we will, like Banquo's ghost, haunt the edges of the marketplace, our clamours for access and equity unheeded and unheard".

Hungary's motorway contract for French

By Nicholas Denton in Budapest

TRANSROUTE, the French toll-road operator, yesterday emerged ahead in the bidding to finance, build and operate Hungary's first private-sector motorway project.

Hungarian Euro-Expressway, a consortium led by Transroute Internationale, won the tender for a $210m (£147.8m) extension of the M1 motorway to the Austrian and Slovak borders, the Budapest authorities announced yesterday.

Also participating in the consortium are Banque Nationale de Paris, the French bank, Strabag, the construction group, and OKHB and OTP, two Hungarian banks.

The European Bank for Reconstruction and Development, the London-based institution aiding eastern Europe, has also agreed to support the venture in a letter of intent concluded with Budapest. The Hungarian government is limiting its contribution to Ft1bn (£8.4m) for the acquisition of land along the route.

Hungary has an ambitious $3bn programme to build two bridges across the Danube and nearly 600km of new motorway. Three consortia have already been shortlisted for a 130km extension costing $460m (at 1992 prices) to the M5 south-eastern motorway down to the Serbian and Romanian borders. The bidders include the two finalists for the M1 tender and another group led by Bouygues, the French construction company.

Re-export boost for Dubai ports

Freight traffic at Dubai's two ports, Rashid and Jebel Ali, rose by 18 per cent in 1992 to 1.48m containers, writes Mark Nicholson in Cairo.

Traffic was buoyed by a big rise in electronics re-exports to former republics of the Soviet Union. The emirate's older Port Rashid handled some 800,000 containers and Jebel Ali the remainder.

Hopes rise for restart of talks on colony's future

By Simon Holberton in Hong Kong

HOPES were raised last night that China would finally agree to talks with Britain about Hong Kong's political development when the colonial government issued a statement suggesting that an announcement of renewed dialogue was expected shortly.

A government spokesman said that Governor Chris Patten's executive council, his top advisory body, held a special session last night at which it was decided not to gazette a bill containing Mr Patten's proposals for a broadening of democracy in Hong Kong. He did not say when the bill would be published.

On Wednesday in the legislative council, the colony's law-making body, Mr Michael Sze, secretary for constitutional affairs, intimated that China would have to signal its agreement to talks for the government to postpone the publication of its legislation beyond the end of February.

Last night, the spokesman said the government would make a statement "explaining the position on this issue within the next few days." It is understood the government expects this announcement will concern a return to the talks with China.

Britain had planned to announce the start of talks last Wednesday, but Beijing failed to give the go-ahead. It is understood that Britain received a communication from the Chinese government suggesting it was nearing the end of deliberations which, for the past week, have left an announcement in abeyance.

The UK's position has been that it was willing to talk to China about the arrangements for Hong Kong's 1994-95 elections without pre-conditions. China has said it would be prepared to talk on the basis of past accords and understandings, while maintaining opposition to Mr Patten's plans.

China continues to penetrate its future territory

There is concern over the growing number of Chinese investors in Hong Kong and their interests, writes Simon Holberton

IN June 1991, Mr T T Tsui, one of Hong Kong's new rich, was in London doling out HK$16m to refurbish the Victoria and Albert Museum's display of Chinese antiquities. The Prince of Wales turned up for the occasion.

Last week, Mr Tsui was in Beijing for the launch of a business venture, New China Hong Kong Group, a company that plans to play the Hong Kong stock market and invest in China – this time with Mr Li Peng, China's prime minister, in attendance.

Mr Tsui's impeccable political connections are topped only by his ability to entice many of Hong Kong's leading businessmen to invest in his company. Mr Li Ka-shing, one of the colony's wealthiest men, Mr Stanley Ho, Macao's casino king, and Mr Lim Por Yen, chairman of Lai Sun, a large property developer are but three of the colony's personalities who have contributed to the company's paid up capital of HK$400m.

Sections of Hong Kong's business and political establishment have taken more than a passing interest in Mr Tsui's new company. But their main concern is with the list of mainland Chinese investors and one in particular, the Hong Kong and Macao Affairs Office of the State Council (cabinet), HKMAO. This is China's top policy-making body on Hong Kong and reports directly to the prime minister; it is widely believed to lead the mainland investors who control about 32.5 per cent of New China Hong Kong's capital.

The Hong Kong government watches New China closely but is powerless to act. The Securities and Futures Commission, the colony's financial watchdog, vets management competence, not ownership.

Conflict of interest is the main concern. According to one government official: "It has been vividly demonstrated that a mere statement from HKMAO can affect the Hong Kong stock market and indeed individual stocks. If Hong Kong people thought that an important agency of the Chinese government had a financial interest in its policy statements then they would be very concerned indeed."

This view has been echoed by merchant bankers and stock brokers in the colony.

However, western diplomatic observers of Hong Kong take a less alarmist view of the company. Says one: "It possibly does give them an advantage, but I don't think they are ready to compete with some of the more rapacious personalities in Hong Kong."

China has always had a presence in Hong Kong. Even in the late 1960s Bank of China, China Merchants, China Resources and China Travel Service – collectively known as the "four heavenly sisters" – had a major role in the colony's economy.

China Merchants and China Travel Service have both floated subsidiaries on the Hong Kong stock market. Other Chinese enterprises, China International Trust and Investment Corporation, CITIC, are now vying with the old British "hongs", Jardine Matheson and John Swire.

The extent of China's ownership of assets in Hong Kong is not known with any precision. But last month, a Chinese government official was reported in the official media saying that in 1992 alone the mainland had invested US$20bn in Hong Kong and Macao, but gave no details.

"The real figure is a lot different from what they admit publicly," said a western diplomat.

In the past year, mainland companies have become significant investors in, and users of, the Hong Kong stock market. The current market value of the mainland's investments in quoted Hong Kong companies is about HK$45bn. The value of these investments is expected to grow significantly once mainland Chinese companies begin to list directly on the Hong Kong stock market.

T T Tsui: stiff competition from mainland investors

Mainland companies have also been among the largest buyers of property in Hong Kong. Brooke Hillier Parker, a property consultant, estimates on the basis of publicly declared deals that mainland interests acquired property in Hong Kong with a value of HK$20bn in 1992. That compared with purchases, mostly in the residential sector, totaling HK$7.6bn in 1991.

Not everyone is optimistic. In a recent issue of Dangdai, a magazine concerned with mainland politics and economies, an analyst writing under the pseudonym Wan Li Xing, charted China's takeover of Hong Kong's economy, based on the way the Communist Party took over Guangzhou (Canton) and Shanghai 40 years ago.

Wan said that China would co-opt Hong Kong's leading businessmen by offering them political status as a reward for fostering Hong Kong's economic development. "After a certain period of time Hong Kong's economic system would be absorbed into China's. As a special economic zone, Hong Kong's economy would not be allowed to develop independently for ever."

Ghosts of gold and dollars take to the streets of Beijing

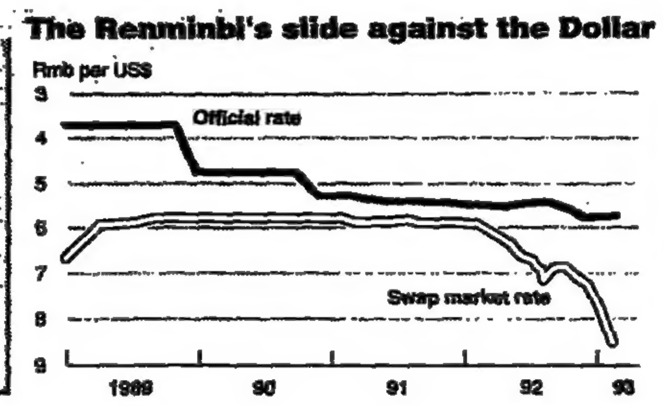
Demand is ballooning for hedges against any further devaluations in China's currency, writes **Tony Walker**

A Beijing newspaper this week told its readers two ghosts were wandering the city's streets – gold and US dollars.

This was a reference to ballooning Chinese demand for the two commodities as a hedge against the continued depreciation of China's currency, the Renminbi, amid persistent rumours of a further sharp devaluation.

The *Beijing Youth Daily* reported that in the six weeks to mid-February, the city's main department store sold some RMB4.47m (£542,253)-worth of gold jewellery, double the amount for the whole of last year.

Chinese officials this week signalled alarm at the continuing pressure on the currency, although it was unclear whether this was genuine or connected with the presence in Beijing of a team from the Office of the US Special Trade Representative – the first high-level US delegation to visit China since the change of administration in January.



The US, whose trade deficit with China last year reached $18bn, does not want a further depreciation of the Renminbi, as this would make Chinese exports even more competitive.

US officials have even been hinting that support for China's plans to rejoin the General Agreement on Tariffs and Trade may be conditional on it stabilising its exchange rate.

Chinese officials have pledged to move gradually towards a unified rate based on the "market value" of the Renminbi, but foreign bankers in Beijing are sceptical that a single market rate is possible soon.

Many of China's faltering state enterprises are dependent on "subsidised" foreign exchange allocations for imports of raw materials and equipment.

Under China's foreign exchange system, there are broadly two rates: an administered "official" rate used largely for trade transactions under the state plan, and a more market-based rate determined in the 100 or so foreign exchange "swap" centres throughout the country – where approved enterprises are allowed to buy and sell.

Some 80 per cent of foreign exchange transactions are conducted through these centres. There is also a street "black market" in many Chinese cities. Rates on the street shadow those in the swap centres.

Since December, 1989, China's official "administered" rate has depreciated by more than 60 per cent against the US dollar, due to several devaluations and a managed float of the Renminbi. At one stage, the difference between official and market rates was reduced to about 8 per cent, but in the latter part of 1992, as China's economic boom and consequent demand for imports gathered pace, the gap widened dramatically, with the differential this week standing at about 30 per cent.

With China's economy continuing to grow at a rate exceeding 12 per cent, there seems little prospect of the gap between official and market rates narrowing, unless the authorities resorted to strong administrative intervention – something they have vowed not to do.

Western economists in Beijing say that although Chinese officials are worried about inflationary pressures caused by an overheated economy, accompanied by a surge in imports and pressure on the Renminbi, it was unlikely they would be stampeded into hasty action.

China's trade surplus reached about $5.5bn in 1992, its foreign exchange reserves remain healthy at about $50bn, and it continued to trade strongly through the first months of this year. "Maybe they will be happy to sit back and do little," said a western official.

That may prove to be the case, although a further widening in the gap between the official and market rates would almost certainly test the nerve of Chinese central bankers. China's plans gradually to unify its dual exchange rate system and bring about at least partial convertibility of its currency have been set back. Speculation against the Renminbi seems set to continue.

Christopher in push to restart Mideast talks

By Mark Nicholson in Cairo

MR Warren Christopher, US secretary of state, said yesterday he was ready to invite Arab and Israeli delegations to resume stalled Middle East peace talks in April, adding that his tour of the region made him "confident enough" that all parties were willing to return to the negotiations.

Mr Christopher's statement, made in Geneva after his departure yesterday from Jerusalem, came as senior Palestinian leaders said a US proposal to break the deadlock over 396 Palestinian deportees held the "elements to a solution" to the issue which has blocked the resumption of talks.

There is no indication yet whether the American proposals are acceptable to the Israeli government which prior to Mr Christopher's visit had appeared to rule out any further concessions on the deportees.

The revival of full bilateral peace talks by April would be deemed a successful conclusion to a tour which Mr Christopher and his aides billed in advance as principally a chance for the new secretary of state to meet the main players and listen to the issues.

But in spite of continued US insistence that Mr Christopher carried no fresh proposals to break the deadlock which has encased the talks since Israel's deportation in mid-December of alleged activists belonging to the Hamas Islamic movement, American diplomats have been quietly packaging a possible compromise.

Palestine Liberation Organisation officials in Tunis said yesterday that the US had proposed that Israel should accelerate the repatriation of the deportees and issue assurances that it would not resort to further expulsions in future.

Israel has previously stood by an earlier offer, made in consultation with the US, to repatriate 101 deportees immediately, and the rest within a year. Palestinian delegates rejected the offer, calling for Israel to implement United Nations Security Council resolution 799, which demands the return of all 396 immediately.

While the Palestinian delegation to the talks has not yet committed themselves to returning to the table, they issued a statement from Jerusalem yesterday saying that discussions on the US proposal were continuing and that they hoped to "solve outstanding issues in the near future."

Senior Palestinian officials in Cairo said talks on the proposal would continue quietly through "diplomatic channels" and that no formal acceptance of a compromise offer on the deportees was likely before Mr Yitzhak Rabin, the Israeli prime minister, travels to Washington to meet President Clinton next month.

Indian security forces thwart BJP mass rally

By Stefan Wagstyl in New Delhi

INDIAN security forces yesterday thwarted an attempt by militant Hindus to hold a banned mass rally in New Delhi, at the cost of bringing the capital to a virtual standstill.

Some 80,000 police and troops kept demonstrators out of the city centre, forcing thousands of protesters to gather instead at five points where they staged noisy rallies and fought running battles with security forces for much of the day.

Thousands of protesters were detained, including Mr L.K Advani and other leaders of the Bharatiya Janata Party, the right-wing Hindu party which organised the rally. The BJP said 50 demonstrators were injured, among them Mr M.M Joshi, the party president, who was taken to hospital with head injuries.

The BJP claimed success in having forced the government to deploy so many police and troops. Mr Advani said the government had gone "berserk" and had "let loose a reign of terror" in the city. The BJP said 100,000 supporters had taken to the streets, though the figure was difficult to substantiate. Crowds at the biggest rallying point, in the BJP stronghold of Rajinder Nagar, numbered no more than 10,000.

A BJP member of parliament throws a teargas shell back at police after the attempt to stage a mass rally in New Delhi yesterday

The ruling Congress (I) party blamed the BJP for the disruption and said the rally had been a "complete failure and a flop". It said the rally had been banned because of the threat to public order. Although the BJP had promised to stage a peaceful event, the government is wary after its supporters stormed the Ayodhya mosque last December and set off nationwide inter-religious violence.

The BJP staged the demonstration to press demands for lifting bans on Hindu militant organisations proscribed after the Ayodhya incident, including the RSS, a shadowy group from which many of the BJP's own cadres are drawn. The BJP wants elections in the four states in which BJP-controlled assemblies were suspended after the mosque's destruction, and are also seeking a general election.

It is not clear how much yesterday's protests will have advanced the BJP's cause. Some New Delhi residents blamed the party for disrupting their daily lives, but others condemned the government. BJP officials plan to decide their next step today.

The rally showed the BJP's organisational power and the dedication of its supporters. Because of the government ban, supporters had to smuggle their way into the city in ones and twos, then keep a low profile until yesterday. They were housed and fed for up to five days by party supporters in the capital. Among these was Mr Ramesh Babu, owner of a small bookbinding business, who said 25 people slept in his home. "I was proud to do it," said Mr Babu, who attended the rally.

The demonstrators travelled from as far away as Kerala, in the southern tip of India. They were young and old, with a strong middle-class element – including a tax consultant from Madras, a marine engineer from Bombay and a lawyer from Rajasthan. Their common wish was to give India a greater sense of identity as a Hindu nation. They said this meant removing privileges given to India's Moslems, notably the right to observe Islamic civil laws.

Harking on a standard BJP theme, Mr Babu added that India's Moslems could not be fully trusted because they favoured Pakistan.

Kohl visit to Japan may herald closer ties

By Charles Leadbeater in Tokyo

JAPAN aims to initiate an extension of its political ties with Germany through talks over the next few days between Chancellor Helmut Kohl and government officials.

Chancellor Kohl's visit which starts today could mark the start of a shift of emphasis in Japan's policies towards Europe.

Foreign ministry officials stress bilateral relations between Japan and the UK will not be affected by the more active approach Tokyo is taking towards Germany.

However, the plan to establish a broader political dialogue with Bonn marks a recognition in Tokyo that the future of Japan's relations with the EC as well as its involvement in eastern Europe will largely turn on its relations with Germany.

Foreign ministry officials said it was significant that the Tokyo talks would not simply focus on economic and trade questions, but would extend across a wide range of international issues.

Chancellor Kohl and Mr Kiichi Miyazawa, the Japanese prime minister, are expected to launch a bilateral discussion forum as the immediate focus for efforts to strengthen ties.

Such a move by the Japanese government is expected to encourage private sector initiatives to strengthen bilateral ties.

The talks are likely to focus on trade issues, particularly Japan's growing surplus and market-opening measures in Japan, as well as the promotion of foreign investment in eastern Germany.

Chancellor Kohl is likely to call for more Japanese aid to the former Soviet Union and to suggest Japan should invite President Yeltsin of Russia as an observer to the world summit in Tokyo in July.

Senior officials at the finance ministry and the foreign ministry are in favour of more aid, but this is strongly opposed by senior figures within the ruling Liberal Democratic Party.

The two leaders will also discuss possible revisions to the United Nations charter which could increase their influence within the organisation. Before his arrival in Japan, Mr Kohl made it clear he supports Japan's claim for a permanent seat on the UN security council.

● Mr Kohl yesterday backed an Indonesian initiative to improve dialogue between industrialised and developing nations, adds William Keeling in Jakarta.

His support, however, may not guarantee an invitation for President Suharto to attend the G7 Tokyo summit in July as requested by Jakarta.

Unita in continued attack on Huambo

THE central Angolan city of Huambo was under constant shelling yesterday and the streets were full of decomposing bodies from fighting between government troops and the rebel Unita movement, write Michael Holman in London and Reuter in Luanda.

In one of the first eyewitness accounts from Huambo, Angolan journalist William Tonet, trapped in the besieged city since early January, said the residents were in danger from Unita shelling whether they stayed at home or went out in the streets to look for food. He estimated that 10,000 to 13,000 people had been killed there.

A report published in London today says neither the MPLA government nor Unita can win an outright military victory. Compiled by the Economist Intelligence Unit, the report concludes that both sides will ultimately be "obliged to compromise."

It says that the resumption of the peace process will require a larger role for the United Nations. The UN has been monitoring the 1991 agreement which paved the way for multi-party democracy.

Oil, diamonds and other minerals, and an abundance of arable land, make Angola one of Africa's most richly endowed countries: "If Angola enjoyed political stability and good management, its economy should prosper".

● *Angola to 2000: Prospects for recovery*, Economist Intelligence Unit, 40 Duke Street, London W1A 1DW 071 493 6711. £345/$425.

South Korea president sets goals

MR KIM YOUNG-SAM, who was inaugurated yesterday as South Korea's seventh president, said the main goals of his administration would be to deregulate the economy, eliminate corruption, and reverse a declining work ethic, writes John Burton in Seoul.

He also offered to meet Mr Kim Il-sung, the North Korean president, "at any time and any place" to discuss unification in what would be the first summit conference between the leaders of the two Koreas.

The 65-year-old former dissident leader declared in his inaugural address that his government, the first civilian administration in 32 years, would build a "New Korea."

Mr Kim said South Korea threatened to "become bogged down at the threshold of the developed world" after achieving considerable economic progress in the post-war era.

He blamed the country's problems on a declining work ethic and its centralised economic structure.

Car guidance system to get Scottish trial

By James Buxton, Scottish Correspondent

SCOTLAND could become the first part of Britain where cars are fitted with guidance systems to help motorists find the best routes to their destinations and provide instant warning of traffic jams.

The introduction of in-car guidance systems would follow the upgrading and expansion of traffic management systems for roads in the greater Glasgow area and north and south of the Forth estuary, including Edinburgh.

Lord James Douglas Hamilton, the Scottish Office roads minister, is expected today to reveal the four companies which have been shortlisted to bid for the upgrading of the two existing traffic management systems, the first stage of which will cost about £12m and eventually total £33m.

The new traffic management systems will measure traffic flows more accurately by means of electronic detectors under the roads. The information will be fed to a central computer and information about unexpected hold-ups and suggested alternative routes will be displayed on new roadside indicator boards. It will also be fed to local radio stations for instant broadcast to cars able to receive dedicated traffic information.

The information received by the central computer can also be used to support in-car guidance systems. Motorists will be able to install receivers which, by means of displays or voice simulators, will alert them to traffic hold-ups and suggest alternative routes.

The Scottish Office will today issue a consultation document detailing how in-car guidance systems can be introduced in Scotland on a commercial basis. The names of the four companies which have been pre-selected from 20 applicants to tender for the project are thought likely to include GEC and Siemens.

The traffic management system is likely to be operating by late 1994. Scotland's lead may be partly due to its relatively simple administrative structure, with the Scottish secretary having responsibility for roads, local government and the police, which in England come under separate ministries.

PowerGen seeks £140m to keep coal stocks

By Michael Smith

POWERGEN, one of the UK's two largest electricity generators, is seeking compensation of more than £140m ($200m) over five years in return for agreeing to government requests that it keep coal stocks at existing levels to help preserve some of the UK's threatened 31 pits.

PowerGen's stance suggests the government package to save pits will cost considerably more than £500m – the subsidy the state-owned British Coal is estimated to need to sell at world coal prices.

The power plant capacity of National Power, the other generator for England and Wales, is 50 per cent larger than PowerGen's and, if anything was conceded to its rival, would presumably demand half as much again.

Both companies' stocks are higher than anticipated at privatisation three years ago because of the recession, competition from nuclear power plants and a warm winter. Both were committed to buying coal on three-year contracts which end next month but are now switching to use more gas-fired generation.

BRITISH COMPETITION POLICY

Heseltine overrides fair trading regulator

By John Willman, Public Policy Editor

THE DECISION by Mr Michael Heseltine, trade and industry secretary, not to refer the acquisition by Airtours of the Owners Abroad Group to the Monopolies and Mergers Commission has alarmed and surprised specialists in competition law in the UK.

It is the second time in two weeks that Mr Heseltine has overridden a recommendation from Sir Bryan Carsberg, the director-general of fair trading, to refer a merger to the commission.

Earlier this month, he rejected advice to refer a merger of the infra-red defence components businesses of GEC and Philips Electronics.

Until this year, the director-general's advice to refer a merger to the commission had been overridden on only 11 occasions since the arrangements for such referrals were put in place in 1973.

Mr Heseltine appears more willing than many of his predecessors to second-guess the director-general, who is the competition regulator.

More puzzling to observers, however, are the grounds on which Mr Heseltine is believed to have made his decision. It appears he felt that the case for referral on competition grounds was "finely balanced" based on the following factors:

- The large number of competitors in the package tour business.
- The ease of entry for companies wishing to enter the market.
- The speed with which companies' market share can change in the industry.

In taking these reasons into account, Mr Heseltine has challenged Sir Bryan's judgment that the merger would reduce competition in the package tours market. Sir Bryan will have reached his recommendation only after detailed analysis of the package tour market.

Mr Stephen Locke, director of the Policy Unit at the Consumers' Association, described the decision as "baffling". "The substantive issues may have been finely balanced but the case for referring the merger to the MMC to review them was not."

Mr Heseltine gave similar reasons earlier in the month when he rejected referral of the merger of the GEC and Philips Electronics businesses. He felt the competition issues were not sufficient to justify a reference.

For Mr Thomas Sharpe, a barrister specialising in competition law, this shows a worrying tendency to overrule the advice of the competition watchdog. Mr Sharpe accepts it might be appropriate for the trade secretary to refer a case to the Monopolies and Mergers Commission even when the director-general has not recommended referral.

This has happened on six occasions in the past. In three of these, Mr Peter Lilley, when trade and industry secretary, referred take-overs of private companies in the UK by state-owned foreign companies because he was concerned that they had an unfair advantage from their status as nationalised industries.

"Section 84 of the 1973 Fair Trading Act makes it clear that referral can be on several public interest grounds of which competition is just one," Mr Sharpe said.

"But when the competition watchdog says that a merger raises competition issues and recommends referral to the MMC, the Department of Trade and Industry should not second-guess them and say that they know better."

There are also fears that a more interventionist approach by the DTI will encourage companies to lobby politicians over mergers.

One advantage of leaving it to an independent Office of Fair Trading is that campaigns on behalf of particular mergers on the grounds they are in the national interest or will save jobs are less likely to succeed.

Mr Locke of the Consumers' Association, however, said the decision throws into question the government's commitment to tighten competition policy. He said: "What is the point of issuing a green paper on new legislation to strengthen competition policy when the government appears to hold the subject in such low regard?"

MERGER ADVICE REJECTED‡

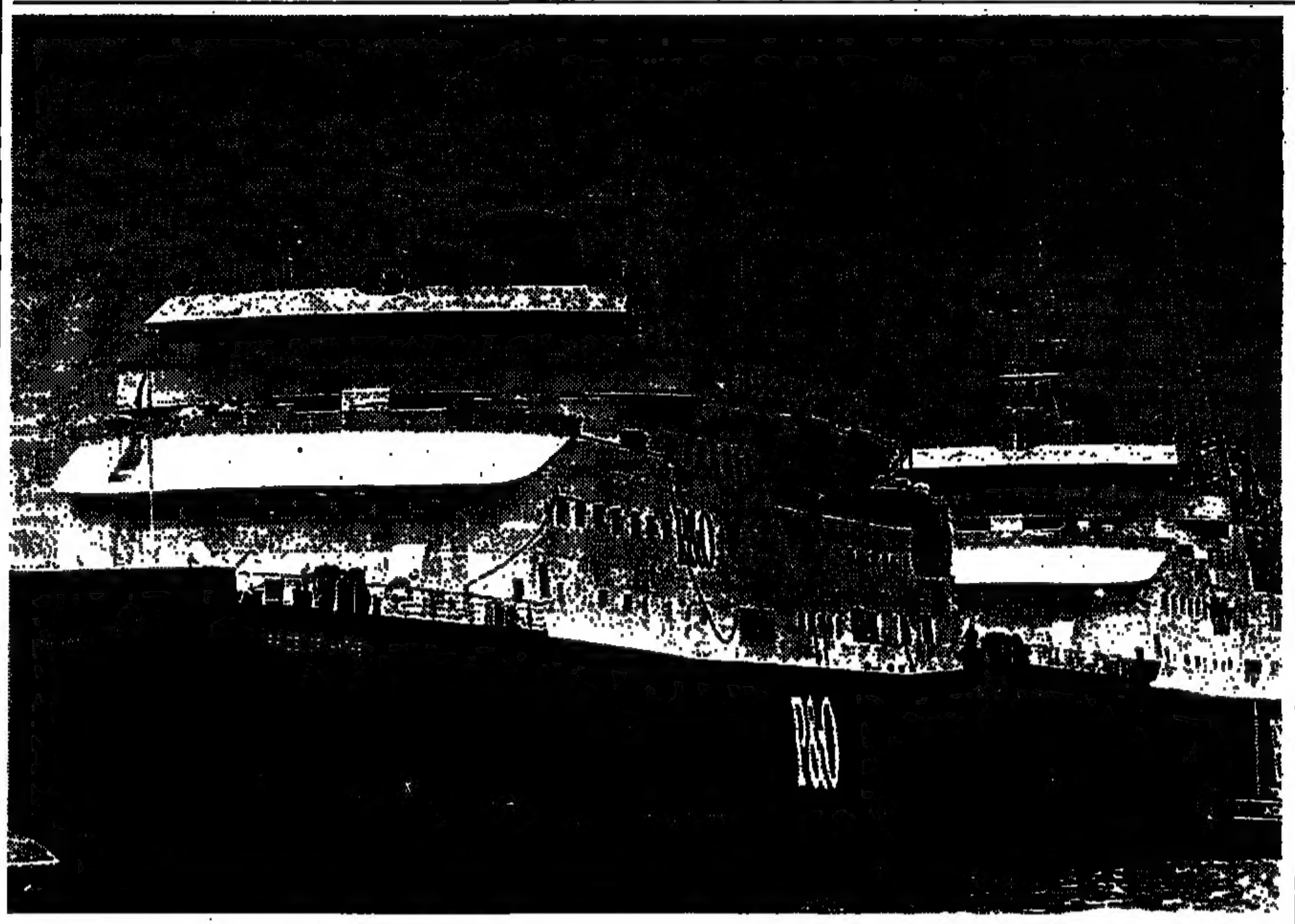
Referral advised

- 1976 Tate & Lyle/Manbre Garton
- 1977 Lonrho/Dunford & Elliot
- 1978 Imperial/J B Eastwood
- 1979 Thorn/EMI
- 1979 Calor/Glogas
- 1983 Blue Circle/Aberthaw
- 1983 Dalgety/RHM (agricultural division)
- 1984 Nestlé/Carnation
- 1986 Cannon/Screen Entertainments
- 1986 Owens-Corning/Pilkington Fibreglass
- 1991 BPB/Poliet (Platres Lambert & Societé Anonyme de Material de Construction)
- 1993 General Electric Company/Philips Electronics
- 1993 Airtours/Owners Abroad Group

Referral opposed

- 1982 Lewis/Illingworth Morris
- 1983 GFI-Knoll/Sotheby
- 1990 Ransomes/Westwood Engineering & Laser Lawnmowers
- 1990 Credit Lyonnais/Woodchester
- 1990 Sligos/Signet
- 1990 Elf Acquitaine/Amoco

‡Cases where the Director General of Fair Trading's advice on referral to MMC was rejected



P&O European Ferries is finalising the sale of Pride of Canterbury and Pride of Hythe, curently docked at Tilbury. Launched in the 1970s, they were withdrawn when the Dover-Boulogne service closed. Two Greek shipping companies are thought to be the buyers

GM raises output by 23% as Ford and Rover decline

By Kevin Done, Motor Industry Correspondent

GENERAL MOTORS of the US, the world's largest vehicle maker, increased its vehicle output in the UK by 23.1 per cent last year to 350,914 from 285,129 in 1991.

Car production by Vauxhall, GM's main UK subsidiary, increased by 12.6 per cent to a record 287,884, according to figures released by the Society of Motor Manufacturers and Traders. GM began engine production in the UK again last year for the first time since the early 1980s at a £190m V6 engine plant at Ellesmere Port, Cheshire.

The main setback suffered by GM in the UK was at Group Lotus, the heavily loss-making specialist sports car maker and engineering consultancy. Lotus output fell by 69 per cent to 691 from 2,240 a year earlier following the end of production of the new Elan sports car range. GM is currently considering the disposal of all or parts of Lotus.

Ford of the US remained the leading vehicle producer in Britain despite a 2.2 per cent fall in output to 474,123 from 484,639 in 1991. A 10.9 per cent fall in Ford's UK car output (excluding Jaguar) to 302,416 under the impact of extensive short-time working in the second half of last year was partly offset by a 24 per cent rise in commercial vehicle output.

Rover, a subsidiary of British Aerospace, suffered a 4.8 per cent fall in vehicle output to 399,661 from 419,907 a year earlier, although it was narrowly the leading carmaker in the UK ahead of the Ford group.

Total UK car output rose by 4.4 per cent last year to 1,219,880. Lower production by Rover, Ford and Peugeot was offset by the rapid build-up of production by Nissan, the Japanese carmaker, which raised output at its Sunderland, Tyne and Wear, plant by 44 per cent to 179,009.

Big growth predicted from EC invisibles

By Emma Tucker

UK COMPANIES expect invisible earnings from the European Community to grow by 10 per cent over the next six months, according to a survey out yesterday.

British Invisibles, a trade group which promotes the UK's financial and other services abroad, said companies were "cautiously optimistic" about invisible earnings.

More than 60 per cent of the 99 companies surveyed thought the UK's departure from the European exchange rate mechanism was a positive influence on export performance, with only 7 per cent viewing it as negative. There was widespread concern about the possible impact of a stronger pound.

The survey, which covered several service sectors including accountancy, banking, commodities and futures, consultancy, insurance, legal services and tourism, found that 70 per cent of respondents forecast growth in their overseas earnings over the next six months.

British Invisibles said the most important export market was the combined region of the EC and the European Free Trade Association and most saw this region growing, albeit modestly.

Two-thirds of the survey's respondents considered the US to be their main competition in the Japanese market, with less than 10 per cent regarding France and Germany as significant competitors.

UK employers back revival hopes despite news of 13,400 job losses

Major sees end to recession

By Peter Marsh, Peter Norman and Kevin Done

MR JOHN MAJOR, the prime minister, insisted yesterday that Britain was emerging out of recession despite one of the bleakest days on record for job loss announcements.

Mr Major's view appeared to be supported by a survey from the Confederation of British Industry, the employers' organisation, suggesting manufacturers may be starting to reap the benefit of sterling's devaluation and lower interest rates.

ICI announcement of 4,500 job cuts was followed by 2,400 job losses at British Gas and 6,500 redundancies in the British army under the second phase of the Options for Change plan, the government's reform package.

In Washington, Mr Major said, after meeting President Clinton, Britain was moving out of recession, He blamed the recession's "painful kick-back" for yesterday's job losses.

However, Mr Robin Cook, the opposition Labour party trade spokesman warned that it was "a serious possibility that within this parliament the government could end up with more people out of work than are employed in manufacturing industry."

Mr Ian McAllister, chairman of Ford of Britain, called yesterday on the government to develop urgently an industrial policy to restore the UK's economic strength and re-establish its competitive position.

He attacked previous Conservative governments for "side-stepping" the issue of industrial policy during the 1980s. It was a "myth" that services could generate the wealth the country needed to survive, he said.

Declining economic activity in Germany and France and fears that recession will spread to other continental European are set to dominate informal discussions of the Group of Seven finance ministers in London tomorrow.

But Mr Norman Lamont, the UK chancellor of the exchequer and host of the meeting, will underline that Britain has done enough by way of fiscal stimulus and lower interest rates to return its economy to growth.

The CBI's latest monthly industrial trends survey found that manufacturers' order books, though still depressed, were at their best levels for two-and-a-half years.

Manufacturers reported improved output expectations for the fourth month running in January, indicating the easing of UK monetary conditions since September was enhancing competitiveness.

For the second consecutive month, manufacturers indicated they expect to increase output in the next four months. Export orders also improved substantially compared with January, suggesting devaluation may now be helping to raise demand from foreign customers.

Gas job losses, Page 19

Trade deficit outside EC narrows

By Emma Tucker, Economics Staff

THE UK's trade deficit with countries outside the European Community narrowed by £324m ($460m) last month, according to official figures released yesterday.

The deficit on visible, or merchandise goods, was £1.02bn in January, compared with December's record £1.34bn deficit. The last time there was a surplus on UK trade with non-EC countries – which accounts for less than half of total overseas trade – was in the fourth quarter of 1986.

Both imports and exports remained at historically high levels, with the value of exports reaching a record £4.29bn in January. The value of imports at £5.31bn was the highest ever apart from December 1992 when import values were £5.44bn.

The underlying deficit, which excludes oil and erratic items such as aircraft, silver and precious stones, also narrowed to £776m in January, from £1.04bn in December.

The Central Statistical Office gave no figures for trade with the EC as a new measurement system called Intrastat is being introduced, in line with the single market. Intrastat's first results are expected towards the end of July.

In December, the last full set of figures available, the UK's visible deficit with the EC was £541m, and with the whole world £1.88bn. Statisticians stressed that it was not possible to infer from the latest non-EC trade figures what was happening to trade within the Community.

Devaluation of sterling has yet to make much impact on exports, according to the CSO. In the Autumn Statement in November, the government said it did not expect exports to benefit from devaluation until the first quarter of this year.

In the three months to the end of January, the value of exports to non-EC countries grew by 6 per cent, compared with the previous three-month period, while import values grew by 14 per cent. The volume of imports, excluding oil and erratics, rose by 6.5 per cent, while the volume of exports rose by 4 per cent.

A breakdown of trade by area shows that the UK has a negative balance of trade with all areas outside the EC bar the oil exporting countries. The deficit on visible trade with the US and Canada widened to £182m in January from £123m in December. In the latest three months the deficit was £367m compared with £44m in the three months to October.

MPs say Bank 'fell down' on BCCI regulation

By David Owen and Robert Peston

THE BANK of England was accused yesterday by MPs of failing "to discharge its supervisory duties" in respect of the Bank of Credit and Commerce International, the corrupt international bank which was closed in 1991.

The treasury and civil service committee also said that the absence of disciplinary action against Bank employees in the wake of the BCCI affair undermined the "future effectiveness of the Bank."

This was because it might lead staff to conclude that poor performance carried "no adverse consequences" for them. The report added: "We consider it is incumbent on the Bank of England to accept responsibility for its failure as the supervisor of BCCI."

But Conservative MPs on the committee excised a sentence from the report demanding the government reconsider the question of compensation for BCCI's UK depositors.

Mr Giles Radice, acting chairman, said the committee's central finding – that the Bank "fell down" on its job as a supervisor – was backed by the whole committee.

Plans were in hand for the body to conduct a wide-ranging inquiry into the Bank's general role in supervising financial markets, said Mr Radice. There was now "a strong case" for separating the Bank's regulatory and monetary roles.

The Bank said it did not accept "either the judgements or the conclusions" of the committee.

There was "nothing new in the report at all: it is simply a precis of all the negative parts of the Bingham report," an official said.

It is widely accepted within the Bank that the "culture" of the supervision department was not aggressive enough for the Bank to take effective action against an institution as fraudulent as BCCI.

Britain in brief

Bank chief urges loan subsidies

Mr Brian Pearse, chief executive of Midland Bank, last night called for the government to subsidise banks to provide loans to small businesses, and to give tax breaks to individuals to provide new forms of equity finance.

It is the first time a bank chief executive has publicly indicated that losses suffered by banks on small business lending may lead to them limiting their exposure to small companies unless they receive public subsidies.

Mr Pearce admitted that banks had sometimes "pulled the rug too soon" from under struggling small companies. But he said tax incentives were needed because otherwise the return on equity capital for small businesses was not high enough.

Ambulance system flawed

The government faced political embarrassment over a report cataloguing repeated examples of flawed management leading to the collapse of the London Ambulance Service (LAS) computer system.

Mr Jim Harris resigned as chairman of the LAS board when the report was published and Labour MPs called on Mr Tom Sackville, the junior health minister responsible for the ambulance service, to join him in resignation.

Mrs Virginia Bottomley, health secretary, has given health authority officials a month to produce arrangements for better accountability in the service.

Army defends redundancies

The Army has defended its decision to include several officers serving in former Yugoslavia among 628 being made compulsorily redundant in its latest round of job cuts.

"We honestly could not exclude someone simply because he happened to be serving somewhere on February 25," General Sir David Ramsbotham, the adjutant general, responsible for army personnel, said after strong criticism of the move from opposition MPs.

Eight officers currently in Bosnia and Croatia were among those told by their commanding officers yesterday that they had to leave the army, in addition to nine whose applications for voluntary redundancy were accepted. A further 80 non-commissioned soldiers in former Yugoslavia are also being made redundant.

Boost in unit trust sales

The unit trust industry had its best month for more than two years in January, with net sales of £505m pushing funds under management to a record high of £66.1bn.

The sector is benefiting from the recent highs in the UK stock market and from the fall in base rates, which has forced savers to consider alternatives to the building society. The effect of the 1987 stock market crash has now dropped out of five year performance statistics, which regulations require unit trusts to show investors.

Fraud charges cut back

Fraud charges faced by Mr Roger Levitt and three other former directors of the Levitt Group, the collapsed financial services company, have been drastically cut back by the trial judge, Mr Justice Laws.

Mr Levitt, along with Mr Mark Reed, Mr Alan McNamara and Mr Robert Price, will face just one charge of fraudulent trading contrary to Section 458 of the Company's Act when their trial begins in September.

After his arrest, Mr Levitt was charged with 62 offences. This was later reduced to 22. The remaining joint charge – denied by all four defendants – alleges they fraudulently produced and distributed false accounts about Levitt Group and fraudulently injected funds into the company.

Opera seeks finance chief

The Royal Opera House Covent Garden is seeking a Director of Finance and Resources. The person appointed will have a broader role than the current Director of Finance, Mr Philip Jones, who, after illness, will stay on with Covent Garden in another senior post, perhaps concerned with the projected re-development programme.

The Royal Opera House denied that the new position is its reaction to last year's critical Arts Council review of its workings, headed by Baroness Warnock, which advised that Covent Garden should be "financially led", rather than "artistically led". A fall in box office revenue caused by the recession will mean that the Royal Opera House will add this year to its accumulated deficit of around £2.5m.

Audit merger considered

The UK's six principal professional accountancy bodies are canvassing their members' views on increased cooperation which could ultimately lead to a series of mergers.

An independent market research organisation has been hired to question accountants about a range of options on "rationalisation" which would include reducing the current number of different bodies.

M0 increase

M0, the narrow measure of the money supply, rose in the year to the end of this month by about 4.2 per cent, above its target range of 4 per cent for the second month running, according to estimates based on Bank of England figures.

Meetings on bus strike

Representatives of London bus workers will meet next week to decide when they will launch a series of one day strikes in protest at a bid by London United to buy-out their existing terms and conditions. Staff at 8 out of the 10 bus companies serving London this week voted for industrial action.

Driving force

Audi's new chairman has inherited ambitious plans for the German car group, writes Christopher Parkes

A wooden oar looks more than a little incongruous leaning against the wall in the glass, chrome and leather office of Audi's new chairman.

But Franz-Josef Kortüm, 42, sets great store by the welcoming gift presented to him by Ferdinand Piëch, who moved out in January to take the wheel at Volkswagen, Audi's lacklustre parent.

It is a symbolic reminder of the responsibilities of a steersman, says Kortüm. But it also has what amounts to an explicit directive burnt into the blade: "Audi, the most attractive European in the world market."

Piëch's parting homily lacks the appeal of the brand's world-renowned "Vorsprung durch Technik" slogan, but then the author is an engineer, not a copywriter. Kortüm, by contrast, is a salesman, hardened on the forecourts of the family motor business, tempted away from Mercedes-Benz last May to take charge of Audi's new marketing division and promptly bumped up to the top job in Volkswagen's showpiece subsidiary.

His arrival from relative obscurity outside the closed circuit of Volkswagen management, his youth and his business background provide ample fuel for speculation on Piëch's mould-breaking intentions within VW's hide-bound central bureaucracy in Wolfsburg.

Despite the apparent risks of appointing a young unknown, the clues Piëch left behind at Audi show the new group chairman is no gambler. He prepared the ground meticulously before handing over. Plans to extend the model range – with a new flagship V8 car at the top and a cheaper model to slot in below the popular Audi 80 at the bottom – were already well advanced at the time of his departure. A dedicated marketing division, separate from that of VW, was established a year ago.

Since then Piëch has replaced most of the old hands at the Audi helm. Most recently, he poached a production director, 48-year-old Jürgen Gebhardt, from his job as manager of General Motors' brand-new, low-cost Opel works in Eisenach, eastern Germany.

Erich Schmitt, 46, was brought in from Vauxhall, another GM subsidiary, to fill a new board seat devoted to purchasing, finance and organisation.

Sitting in Ingoldstadt, Bavaria, Kortüm contemplates his inheritance.

Behind Mercedes-Benz and BMW, he states, the Audi marque is recognised as the third German player in the quality car market.

There is less than one percentage point between the market shares of the three inside Germany, where Mercedes had 6.5 per cent last year.

Customers are relatively well-off. Most Audi buyers in Britain and the US are well-educated, senior, white-collar workers or managers. A typical German customer, who may not have spent so much time at college, takes home double the national average pay.

Even so, the vast bulk of sales in Germany are still accounted for by the more modest models bearing the Audi 80 badge.

"What we need now is to stabilise our position in the top rank. Perhaps I can explain in a picture . . . Here we are in our Audi house."

Villa Audi has two sound middle storeys, represented in Kortüm's "picture" by the popular Audi 80 and the upmarket 100 model. But it has a flat roof and no ground floor. It needs a fine, status-symbol roof to reflect the charisma of the whole structure. This is the role of the incoming V8, due out next spring.

The front garden, he adds, is represented by the distributors. Although many Audis will continue to be sold with other group brands, selected dealerships in key urban centres – a matter for negotiation with Wolfsburg – will be dedicated as prestige showplaces for Audi. The purchase of the British sales network from Lonrho and the takeover of 17 JAX distributorships in the Tokyo area, mark the beginning of this process.

Meanwhile, the house needs more structural work. Kortüm is preoccupied by the fact that Villa Audi still lacks a ground floor and, by implication, an easily accessible front door.

Customer profiles show the average Audi purchaser in Germany is aged 49, in Britain 45 and somewhere between the two in the US. Although Kortüm claims there is a downward trend at the lower margin of the age profile, he admits there are still too few young people on dealers' registers.

Enter the Audi 50 – a car pitched close to the market position now occupied by the evergreen VW Golf. Kortüm sounds less than certain when he promises its arrival for sometime in the second half of the decade. However, he considers it essential for his strategy of drawing in new buyers early and keeping them moving upstairs in the Audi house rather than down the road to Mercedes.

He recognises the strengthening tendency for car buyers to switch brands more readily. New competition is emerging from all sides - not least from Mercedes, which also plans to introduce a cheaper entry-level model to its heavyweight range. Demand is also undergoing subtle changes influenced by a reluctance among the well-off to flaunt their possessions. Environmental awareness is generating new trends in taste and behaviour.

Despite the present structural deficiencies, Kortüm considers Audi well-armed to cope. The marque's carefully nurtured reputation as a high-tech maker will be protected. The "Vorsprung durch Technik" selling line will remain, however, future promotions will be "a bit more emotional", extending the appeal to people looking for a "sympathetic" brand.

These qualities, he promises, will become wholly apparent with the launch of the flagship V8. "It will be elegant and overall an environmentally-compatible compromise in terms of weight, fuel consumption and recyclability," Kortüm claims.

That may be so, but Kortüm, who is faced with having to cut Audi's total output by up to 15 per cent this year and does not foresee an upturn in the depressed motor market until 1995-96, cannot hope for more than modest early sales.

While the recession runs its course, his oar will act as a reminder of why he was brought in. His job is to ensure the brand's new age aura is radiating at full wattage when Villa Audi is complete.

Shaking off the heavy brigade

Christopher Lorenz argues that diversity is dying

The phrase "charge of the light brigade" has been associated in Britain for almost 140 years with a self-inflicted, but glorious military defeat in the Crimean War, when Lord Cardigan's cavalry rode out to capture the enemy's guns but was annihilated by them.

In the future it could take on a more modern meaning: the outcome of ICI's bold decision yesterday to go ahead with its plan to de-merge into two. For, among other influences, the plan reflects the final triumph of decades of pressure from ICI's self-christened "light brigade" to get out from under the resource-hungry weight of the company's bulk chemicals side and make a dash for growth in pharmaceuticals and elsewhere.

By de-merging, ICI will expose Zeneca (pharmaceuticals and agrochemicals) and the new ICI (bulk chemicals and paints) to the almost certain fire of stock market predators. But it will also put them under an unprecedented degree of market and managerial discipline.

Whether the move results in victory or defeat, it will be seen by future business historians as in keeping with the times and entirely logical. In many senses it marks merely a further stride in a stampede of strategic revisionism which has gripped western industry over the past decade. The new orthodoxy argues:

- Cross-business "synergies" of any kind – technological, marketing or any other – are far more elusive than was thought in the 1960s and 1970s.
- Diverse corporate portfolios are hard for stock markets to understand and value, and for executives to manage, especially in an era when most individual businesses are growing more global.
- The most effective way to create value for both the customer and the shareholder is therefore to substitute diversity with focus.
- There has also been a growing realisation that focus is not just a matter of concentrating on businesses in related product markets, technologies and geographic areas. As Hanson, BTR and other specialist conglomerates have shown, it is even more a matter of the managerial characteristics of those businesses, such as the relative maturity of their industry, their technology and marketing intensity, and their investment-time horizons. A set of businesses without similar managerial characteristics is difficult for the same company to "parent" effectively.

In the terminology formulated by Britain's Ashridge Strategic Management Centre, which is influential in this field, these principles apply to "vertical parenting" – the relations between the group corporate centre and an individual business – and to "horizontal parenting" – the centre's ability to foster synergies between the different businesses. Growing awareness of the importance of these various types of relatedness and focus has spurred the flood of divestments and the growing number of de-mergers.

ICI's move will be seen by future business historians as in keeping with the times and entirely logical

Companies have not just "spun off" diversifications they made through acquisition, but which have failed. They have also divested businesses which they developed organically, but for which they are no longer a suitable "parent".

One of the clearest examples of the second type – leaving aside stock market-driven de-mergers such as Racal's 1991 split with Vodafone – was the separation three years ago of the British Courtaulds combine into a chemicals and a textiles group. Martin Taylor, chief executive of the latter, points out not only that the shares of both companies have outperformed the stock market ever since, but that the split has enabled each management to concentrate more single-mindedly on its own industries.

Which brings us back to ICI's "light brigade". For the best part of the last 40 years, this band of managers – especially those running pharmaceuticals, but also those at agro-chemicals, paints and some specialties - felt frustrated at the priority given to the heavy side by the ICI board, which until very recently was dominated by heavy chemicals people.

Andrew Pettigrew, a Warwick University professor of strategic change who researched an acclaimed study of the company more than a decade ago, says: "There's always been an atmosphere of great distance between pharma and heavy chemicals at ICI." As long ago as the 1960s, he says, the "light brigade" felt neglected and starved of funds. This attitude fermented through the 1970s and early 1980s, he recalls, as the internal power of the "heavy brigade" persisted long past the point at which its side of the business was the more important in terms of profitability and growth potential.

In the minds of the "light brigade", the thinking behind the de-merger goes back to the mid-1970s, says Pettigrew. But only since the mid-1980s has its weight on the board been sufficient to give its view real force.

It should be clear from the foregoing that the managerial logic behind ICI's de-merger makes it by no means a peculiarly Anglo-Saxon move, as critics have alleged. In common with Union Carbide in the US, France's Rhône-Poulenc has already been moving in a similar direction through a string of divestments.

By the same token, the new Zeneca and ICI portfolios will be far from sacrosanct. A management consultant who specialises in the chemical industry says that much so-called synergy in chemicals is merely "historical". He agrees different chemical businesses often share technology and production facilities, partly because they have grown out of each other. But, "unlike the branches of a tree, little sap sometimes flows between them - or needs to".

So Zeneca and the new ICI are quite capable of being dismembered by outside intervention. In military terms, they will both now mount a charge for victory. But they could still suffer the sort of treatment meted out to Lord Cardigan and his men in 1854.

TECHNOLOGY

Paul Abrahams continues a series on drug discoveries by examining the latest advances in vaccines

On target with a single shot

In the remote south of Zambia, not far from the banks of the Zambezi river, about 50 women sit under the shade of an immense tree. All carry infants, most less than a year old. Some mothers have travelled nearly 50 miles on foot, carrying children on their backs for up to two days.

The mothers' trek allows them to participate in the worldwide battle between disease and man-made vaccines. The event is part of the Expanded Programme of Immunisation, run by the World Health Organisation. Its aim is to vaccinate children against six childhood diseases: polio, measles, tuberculosis, diphtheria, whooping cough and tetanus. By the end of 1990, the programme had helped inoculate 80 per cent of the world's children against these diseases. The target is 90 per cent by 2000.

The vaccines involved in the programme are well-established products that have considerable drawbacks. The main problem is although those for diphtheria, tetanus and whooping cough can be injected together, other vaccines cannot be used simultaneously because they interact with each other. Others have to be boosted by further doses to create immunity. This means the Zambian mothers will have to repeat their journey if their child is to be fully immunised. The logistics involved mean not all children complete the vaccination course.

In addition, many vaccines are heat-sensitive. In tropical countries with little primary health care, a special transport infrastructure must be built up specially to ensure the vaccines have been kept cold and are still potent.

The market growth has been helped by a reduction in the level of litigation associated with vaccination

However, the application of biotechnology and, in particular, recombinant DNA technology, is leading to a second generation of vaccines. These are more resistant to heat and less likely to interact with each other. They are also safer than first-generation products, with fewer side-effects. These new technologies are also opening up the possibility of inoculation against a far wider range of diseases, ranging from herpes and hepatitis to Aids and even certain forms of cancer.

The creation of vaccines for diseases against which it was previously impossible to inoculate is driving the growth of the world vaccine market. Previously, vaccines were low-priced, high-volume commodity products. The sector was dominated by demography – how many new-born children required vaccination.

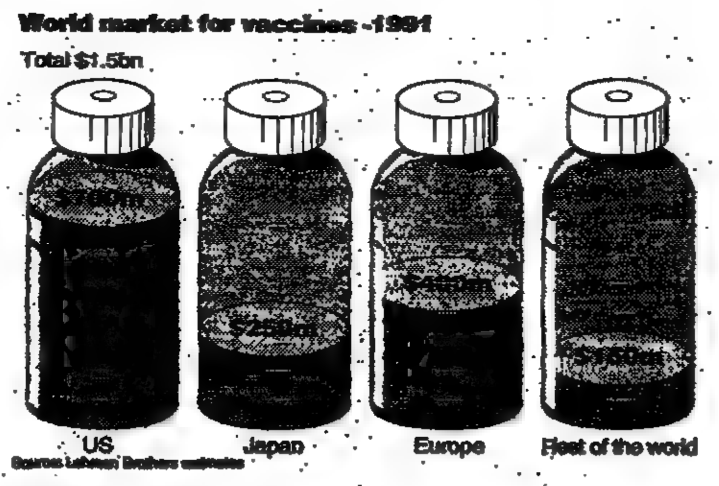
However, the market, valued at about $1.5bn (£1bn), is expanding at 15 to 18 per cent by value, faster than the traditional pharmaceuticals market, according to Institut Mérieux, the French group. The new products, for the most part generated through biotechnology, can be patented and therefore command higher prices than their traditional commodity counterparts.

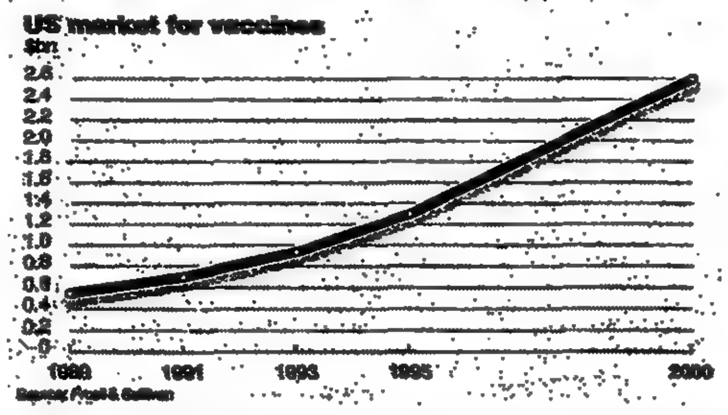
The market growth has been helped by a reduction in the level of litigation associated with vaccination. Some vaccines create side effects in a small number of patients. In the US, vaccine companies found themselves involved in product liability claims.

First-generation vaccines come in three forms.

- Live vaccines are based on weakened strains of the micro-organism causing the disease. These provoke an immune response from the body without generating the full-blown disease. When an inoculated patient is later infected naturally, the body's immune system is ready to react against the disease.
- Inactivated vaccines involve creating immunity by injecting micro-organisms that have had the dangerous elements within them inactivated or have been completely killed. The obvious risk associated with these killed vaccines remains the danger of injecting patients with only partially inactivated organisms. Outbreaks of tuberculosis and polio have occurred because of poorly prepared vaccines. On the other hand, if the inactivation is too effective, then poor immunisation occurs – sometimes even leading to patients being more sensitive to later infection.
- The third type of first-generation vaccine involves inactivated toxins – such as tetanus.

The second-generation products are mostly based on recombinant DNA technology. This allows the previously hazardous attenuation process to be carried out more effectively. The genes within an organism that lead to the disease can be identified, and then inactivated or cut out. The weakened organism can then be bred by using something as simple as yeast. When injected into the body it creates an immune response.





The rapid growth of the market is driven by new products for previously untreatable diseases. Ignace Goethals, senior vice-president of SmithKline Beecham's vaccine business, believes 40 per cent of the world market is made up of hepatitis vaccines. Eight years ago, none existed. Sales of SB's Engerix-B, a hepatitis product, grew from £103m in 1991 to £267m last year.

The next generation of products to drive the market will be multi-dose products, combining a number of vaccines in the same dose, says Michel Greco, European director at Institut Mérieux. The eventual aim, set out in a WHO programme called the Children's Vaccine Initiative, is to create a super-vaccine. This should require only one or two doses, be given orally, be heat stable, have a low rate of side effects and be affordable.

However, while a laudable target, the super-vaccine is technically a long way off, says Greco. In the medium term, any vaccine is likely to remain injectable rather than oral. Institut Mérieux is registering a product which covers diphtheria, tetanus, whooping cough, HIB (against meningitis) and polio in a single injection. The next aim is to add hepatitis B, which should be developed by 1997.

In the long term, one technology that should prove useful in creating multidose vaccines is microspheres, says Greco. This would involve covering the different vaccines with retardant coatings that dissolve at different speeds. These should allow the vaccines to be released into the body at different times, preventing interaction. But this technology could take 20 years to develop.

The rapid expansion of the vaccine industry has led to changes in its structure. In the past, the industry has been dominated by a few competitors with international sales structures, notably Institut Mérieux and SmithKline Beecham in Europe and Merck and Lederle in the US.

Although the market is growing fast, the barriers to entry remain immense, says Greco. They include:

- Large development costs. A long-term Swedish clinical trial designed to test the safety of a whooping cough vaccine involves 50,000 children.
- Significant manufacturing costs. Each product needs to have its separate production line and often a separate building to prevent contamination. Ensuring that vaccines are potent but not dangerous requires considerable expertise.
- Marketing reach. To keep down production costs, companies must be international, supplying large volumes around the globe.
- Products. Groups must be able to supply customers with the range of products they need. Moreover, as multi-dose vaccines become more important, companies must have access to the range of vaccines necessary to put them together.

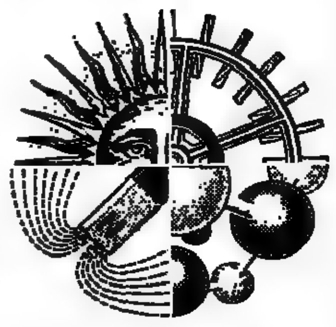
In spite of these entry barriers, the emerging technologies allow small companies to enter the industry. They are typically biotechnology companies that create a vaccine but do not have the means to develop and market it. Their products are instead licensed to the larger groups.

Although growth in the vaccines market has been rapid, the sector remains concerned that pricing could hold it back. This month US President Bill Clinton attacked the industry, claiming low US vaccination rates were due to the high prices of vaccines. SB's Goethals denies this, pointing out that 90 per cent of vaccination costs are related to the healthcare infrastructure and only 10 per cent to the vaccine.

Paradoxically, the single-shot vaccine programmes originally aimed at reducing the burden on those mothers by the Zambezi may also boost the health of America's inner cities.

The series continues next month with a look at drugs for the treatment of high blood pressure.

Worth Watching · Della Bradshaw



Counting on the zeta potential

ZETA potential has little to do with starry galaxies or even movie starlets. It involves the way particles interact in a liquid.

When ions in the liquid attach themselves to the charged particles, they affect the speed with which the particles move. This velocity (the zeta potential) can be measured when an electric current is applied.

By measuring the zeta potential companies can calculate how liquid products will react over time and so cut down on testing. Lots of movement means the liquid will form a long-lasting emulsion – good for face creams – while a low score means the liquid will destabilise, useful in oil recovery.

The Zetamaster, from Malvern Instruments, should enable medium-sized companies to carry out the tests at the press of a button. Malvern Instruments: UK, 0684 892456.

A direct line to cholesterol

Biotechnology specialist Genzyme, of Cambridge, Massachusetts, has been granted clearance to sell a test kit to US laboratories for measuring the level of low-density lipoprotein (LDL) cholesterol – or "bad" cholesterol – in the patient's bloodstream.

LDL is recognised as a primary factor contributing to coronary heart disease and atherogenesis – clogging of the arteries. The kit enables laboratories to measure directly the levels of LDL in a sample and so cuts down the time needed to get the test results to the doctor and patient.

The traditional method of determining LDL involves indirect measurements using calculations and means the patient has to fast for 12-14 hours before the test is conducted. Genzyme: US, 617 252 7570.

Favourite mobile phone of the year

The Cellnet award for the best mobile phone of the year has gone to Panasonic for its I Series phone. The phone also won the sub-categories for features innovation and pocket-to-car mobility – the back light colour (green or orange) even changes to match the dashboard display lighting in the car. The overall runner-up was the Motorola MicroTac II, which also won the award for ergonomic excellence. Cellnet: UK, 0753 504000. Panasonic: UK, 0344 853239. Motorola: UK, 0256 817474.

Computers talk on the radio

Japanese manufacturer Sharp has launched the first personal organiser with a touch screen and the ability to communicate with another organiser by radio.

By touching icons on the screen of the IQ-9000 different functions can be carried out – calculations, filing or word processing. And sketches drawn on the screen can be used to annotate written text – a map could accompany an address, for example.

The infra-red link enables data to be transferred between one IQ and another up to 80cm away. The proprietary software also enables the gadget, which sells for £349.99, to send data to a fax machine or modem. Sharp: Japan, 06 621 1221; UK, 071 493 8258.

Sending the baby to sleep

The Japanese are now going wild over something the British have had for years – a cassette which calms crying babies and persuades them to sleep.

The soundtrack, put together by Roger Wannell, of Somerset, combines three rhythms with a background of "pink" noise. Although to adults the track sounds like a washing machine, to a baby it sounds like a combination of the mother's womb and the human voice. The British Technology Group has licensed the soundtrack to Victor Musical Industries, a subsidiary of JVC. JVC: Japan, 03 3242 8520. BTG: UK, 071 403 7586.

PEOPLE

BBC's new finance director chosen

The former group financial control director of Midland Bank has been appointed director of finance and information technology at the BBC. Rodney Baker-Bates who will take up his appointment on March 22.

Baker-Bates, who was born in Liverpool and educated at Shrewsbury School and Hertford College, Oxford, succeeds Ian Phillips who was director of finance and chairman of BBC Enterprises, the commercial arm of the BBC.

In December Phillips sought an assurance about his long-term future from John Birt, then director general designate. When he did not receive such an assurance, he decided to resign.

The finance director's job has since been expanded to take in responsibility for information technology. A chartered accountant, Baker-Bates, 48, joined Midland Bank in 1984 and held several positions; a casualty of the Hongkong Bank acquisition of Midland, he left at the end of last year.

Previous posts included the group finance directorship at Orion Bank, and he has also worked for consultants Arthur Andersen, spending six years working on major IT projects.

Although Birt said yesterday that Baker-Bates brought great financial strength and experience to the BBC "and will ensure the effectiveness of all our finance functions and information systems", he will also have to try to ensure that there is no repetition of the over-spends or potential over-spends of the past two years. Birt recently estimated the total involved over the two year period as £30m.

AITC picks stockbroker

The Association of Investment Trust Companies has again gone outside the immediate confines of the industry to find its next boss, replacing Philip Chappell, who retired last November because of ill health.

Ernest Fenton, who had latterly been chairman and chief executive of Greenwell Montagu Stockbrokers, has spent almost all his working life in stockbroking, having joined W Greenwell in 1963. Chappell, credited with having greatly raised the profile of the investment trust business, had a largely merchant banking background.

"We wanted another fresh face," says AITC chairman Paul Manduca. "He has run a business, he has good communication skills and he is steeped in the City."

Fenton, 54, whose Scottish pedigree will be regarded as an asset in an important quarter of the industry, says he has become increasingly interested in investments trusts in recent years; he was closely involved in setting up the Fleming Income & Capital investment trust a year ago and has gone on its board.

Greenwell Montagu Stockbrokers was merged into James Capel last autumn as a result of the Hongkong Bank takeover of Midland.

Whereas Chappell, who spent only two or three days a week on the job, was plain old "director" at the AITC, Fenton becomes the association's "director-general", a full-time position, reflecting how the business has grown.

"Clearly there is still a big job to do in educating the consumer about investment trusts," Manduca says, adding that work has just begun on convincing independent financial advisers of the industry's merits. "But Fenton will need to be more methodical and planned in what he does. You cannot expect investment trusts to lift their marketing expenditure in the current climate of falling dividends across British industry. In the short-term, he will have to use existing resources more effectively".

■ Lord Stevens steps down as chairman of Drayton Far Eastern Trust and is replaced by Sir Michael Richardson, chairman of Smith New Court, who has been on the board of the trust for 20 years.

Henderson moved at Alexon

The campaign to get women into commanding positions in British publicly quoted companies has sufferred a setback with the latest reshuffle at Alexon, the clothing company, where Ruth Henderson has been stripped of her chief executive's title.

Ruth Henderson became chief executive in June 1991 when Alexon demerged from Claremont Garments, the Marks and Spencer supplier. However, following a reorganisation of board responsibilities Henderson has been named joint chief operating officer.

Alexon says this is not a demotion for her, although it does mark promotion for the joint holder of the title, Peter Ridsdale. Neither has had a salary change. In 1991-92, Henderson earned more than £160,000.

Since a decline set in in Alexon's performance – it has warned of a £1m pre-tax loss in 1992-93 – there has been speculation about Henderson's position. One source close to the company said it was no more accurate to portray the decline as her fault than to praise her for the previous good performance.

It was hoped that a side effect of the announcement would be that the company would no longer "suffer the high-profile problem of having a woman chief executive".

Henderson will concentrate on product and merchandising; Ridsdale – who came from the Burton Group in September 1991 – will focus on marketing and retail. The group has recently relaunched its two main brands: Alexon womenswear and Dash leisurewear.

The share price, which peaked at 444p about 18 months ago, closed unchanged at 80p yesterday.

A few quoted companies have female managing directors; two reported results yesterday – Frank Usher and Honeysuckle Group, both USM-quoted fashion companies.

Non-executives

■ Clive Thompson, chief executive of Rentokil Group, at WELLCOME.

■ David Brazier, a partner of Cazenove, at GENERAL CONSOLIDATED INVESTMENT TRUST.

■ John Berry, recently retired director of information technology at Boots, at RIVA.

■ Robin Garland at EFG.

■ John McKirdy, recently retired deputy chairman of Noble Lowndes, at AITCHISON & COLEGRAVE.

■ Dermot Jenkinson and Guy Sangster at REGAL HOTEL GROUP.

■ Mark Littman has resigned from GRANADA GROUP.

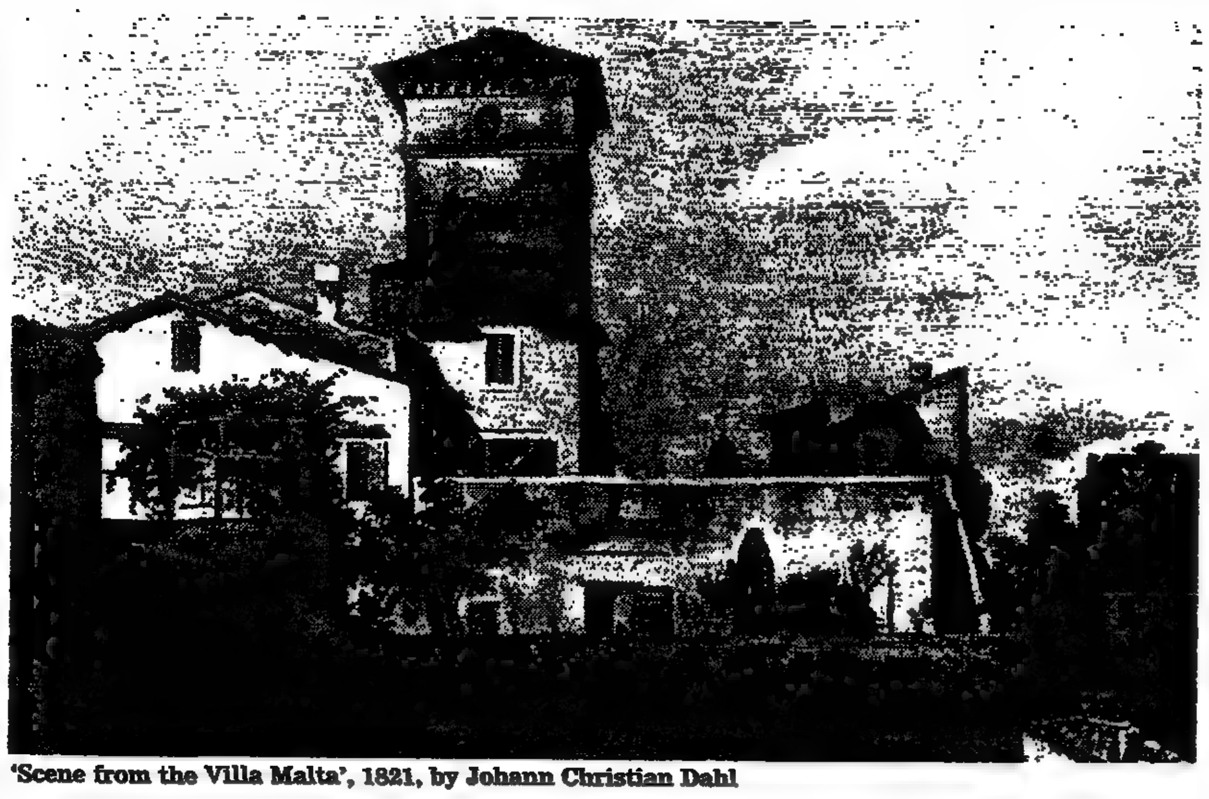
■ John Ivey, chief executive of The Davis Service Group, at MOORGATE INVESTMENT TRUST.

■ Sydney O'Hara, a former director of BT, and David Tebbs, a former director of BIS Nynex, at LEARMONTH & BURCHETT MANAGEMENT SYSTEMS.

■ Philippe Lagayette, chief executive of La Caisse des Depots et Consignations, and until recently First Deputy Governor of the Bank of France, at EUROTUNNEL.

■ Sir Colin Fielding and Simon Knott are retiring from ALVIS.

■ Sheila Garston is to retire from MANWEB.



'Scene from the Villa Malta', 1821, by Johann Christian Dahl

Romantic views of nature

Susan Moore admires the landscapes of J.C. Dahl

Johann Christian Dahl's heroic landscapes, of thundering waterfalls and mountains majestically rising under brooding skies, established him as a leading Romantic painter and the founding father of the Norwegian school. In carefully orchestrated canvases such as the 9ft-wide "View of Stalheim", it seems as if the gentler natural dramas of Ruisdael and Everdingen have been transferred to the untamed North. "A landscape must not only show a particular country or region, it must also represent the character of this country," he wrote in 1841: "It must speak to the sensitive beholder in a poetic way."

What we find in an imaginative loan exhibition opening at the Whitworth Art Gallery in Manchester, is the more intimate work of Dahl and his protégé Thomas Fearnley. Their oil sketches, watercolours and drawings are little known outside Scandinavia, but they are immediately familiar. For Dahl and Fearnley are revealed to belong to that mainstream of early 19th century European painters – from Constable in England to Corot in France and Dillis in Munich – who sought truth to Nature by scrutinising and recording her often fleeting effects in the open air. This relatively modest show triumphantly places another piece into the still unfinished jigsaw of European naturalism.

At a time when nationalistic impulses prompted most European landscape painters to focus their attention on their native land, Dahl was obliged to go into artistic exile. Although recently freed from Danish control, Norway had no formalised system of art education and no means of providing a living for an ambitious artist. Copenhagen, the cultural capital of Northern Europe, was an obvious first stop, a *Wanderjahre* in Italy essential. Dahl was to settle finally in Dresden, becoming an intimate of Caspar David Friedrich. He returned to Norway only five times, making study trips that resulted in the earliest paintings of the country's most remote and dramatic regions.

He appears to have painted outdoors almost from the start. "View near Presto" of 1816 – which he described as a "study from nature" – seems an attempt to reconcile the landscape style of the Dutch masters with the new directness of the widely admired *plein-air* oil studies sent back from Paris and Rome by the Danish master C.W. Eckersberg. The precise handling of the foreground vegetation is echoed in the careful, scrupulously observed graphite and wash drawings here of rocks, trees and boats. It is the experience of Italy, of working in oils directly before Nature in the time-honoured tradition of the resident foreign artists, which seems to have liberated Dahl's art.

Faced with the heat-hazy panorama across the Bay of Naples, for instance, he instinctively lightens his palette and improvises with his brush in an attempt to seize the limpid atmospheric effects. In a prospect of Ischia his fluid touch is assured. The unusual "Scene from the Villa Malta" in Rome shows this ever-changing artist harking back to the classical lucidity and heightened colour of the Italian oil studies of de Valenciennes and Thomas Jones.

For all his directness, Dahl cannot resist introducing favoured Romantic devices. We are encouraged to take a subjective view of nature either by looking through open windows or through the eyes of isolated foreground figures who stand, backs towards us, silhouetted against the gloaming. Dahl may not invest his landscape motifs with symbolic meaning like Friedrich, but it is tempting nonetheless to detect a reverence in the face of God's creation – and some significance in, say, his decision to record the salvos of cannon shot fired at dawn on Easter Day.

No one could dispute the immediacy or the emotive power of the astonishing small moonscapes and cloud studies painted in and around Dresden. These alone make the exhibition a must. The latter beg comparison with the closely observed skies of Constable, 14 years his senior. Revealingly, Constable – like Turner – applied the lessons learnt in the field to the working practices of the studio and in so doing developed an entirely new and dynamic pictorial language. For Dahl and the majority of the early 19th century *plein-air* painters, oil sketching remained an entirely independent activity, a personal response to nature painted for its own sake.

The even less known and more peripatetic Thomas Fearnley, the grandson of a Yorkshire merchant's representative who settled in Norway, proves a markedly different artistic personality. His works are confident, deliberately monumental and theatrically Sublime – he is another Francis Danby of Romantic art. Dahl dubbed him the "Professor of Effect Landscape Painting". His oil studies are nonetheless joyous, remarkably facile, sumptuously rich and freely painted. A visit to the show amply reveals why Dahl advised the Nasjonalgalleriet in Oslo to buy these nature studies rather than the finished paintings.

"Nature's Way: Romantic landscapes from Norway" continues at the Whitworth Art Gallery, University of Manchester, until March 27, and shows at the Fitzwilliam Museum, Cambridge, April 20-June 20

Opera/**Andrew Clements**

'Così fan tutte' and 'Falstaff'

The latest season of English Touring Opera, launched this week at Sadler's Wells, joins last autumn's novelty, a *Falstaff* directed by Tim Hopkins, to a brand new *Cosi fan tutte*. The *Cosi* is the work of Claire Venables, her second staging for the company (she produced *Albert Herring* during its previous incarnation as Opera 80) and her third venture into Mozart.

The *Cosi* promised much. Colleagues have spoken highly of the Venables *Magic Flute* (for Opera Northern Ireland) and *Figaro* (for Norrlandsoperan in Sweden), and certainly the short essay which she contributed to the ETO programme suggested a serious examination of just what the opera is about: "I am curious to test," she writes, "whether the opera is telling us that it is actually possible to fall in love with anybody. If this is the case it means *everybody* is loveable and can be loved. Once we grasp that. We can then *choose* whom to love."

Somewhere in that testing process, though, things seem to have gone seriously awry. The staging begins promisingly. Idit Nathan's designs fix it firmly in an art school where the lovers are fellow students and Alfonso their jaded teacher; the women's class is adorned with male icons, the men's with ideals of femininity.

Through the first act art and reality are gradually melded together: as the men go off to war Alfonso evokes 18th-century military imagery, scrawling "Love equals Death" across an easel while they make their farewells; Despina illustrates her views on men with Cagnacci's *The Rape of Lucretia* and Manet's *Olympia*. The lovers' portraits are caught on Polaroid, and when the strangers appear they are decked out as Laurel and Hardy, or perhaps, in this context, Gilbert and George.

The effect of all this is to disorientate rather than to engage. Apart from the unfailing invention of Jeremy Sams's witty English text, the only common denominator is a low-grade knockabout humour. Once real life has been thrown out of the window (literally in the second act as the set begins to crumble away too) nothing is left to pull together the threads in the finale. Whatever the *mise en scène* for a *Cosi*, the emotions have to be credible, the moral dilemmas real; Venables does not begin to make a dramatic case to match her own manifesto.

Ivor Bolton nevertheless conducted briskly and with a good deal of stylish wit, and the performances of Julie Unwin as a feisty and always watchable Dorabella and Charles Johnston's cool Alfonso in particular followed him well. Andrew Burdon's Ferrando was forthright and Meurig Davies, apparently under the weather as Guglielmo, gained steadily in power and confidence; Catherine Pierard, though, seemed badly miscast as Fiordiligi. Eleanor Bennett's engaging Despina began with a strong Scottish accent and then allowed it to deconstruct, along with everything else in the production.

The *Falstaff* by contrast is both consistently fascinating and coherent, even though it may not be to all tastes. The curtain rises on a Garter Inn that would serve for a production of *Wozzeck* or *Die Soldaten*; Falstaff and his cronies drink alone in bare claustrophobic cubicles, harshly lit; Dr Caius appears to have come straight out of *Nosferatu*, Bardolph and Pistol from an unnamed Büchner drama. None of the later images is so striking, but Hopkins's production (designs by Peter J. Davison) never quite loses that formalising element of mannered expressionism.

Even if the result does not celebrate Verdi's glorious affirmations as wholeheartedly as it could (the final scene is very hard to mould into this concept) everything works; there is a discipline about the proceedings and a refusal to go for the easy jokes that is refreshing and revealing. Its one big miscalculation is to treat Ford's deeply serious outburst in the second act (well sung by Patrick Donnelly) with such levity, losing a precious element in the opera's miraculously balanced scheme of feelings.

The cast maintains the dramatic consistency. Jonathan Veira's Falstaff seems less concerned with concepts of chivalry than with personal integrity and, in the end, with just getting through. He delivers all his music with a salutary straightforwardness; Amanda Holden's fine, relaxed translation is always easy to catch. There is a deft and nimble Alice Ford from Margaret Preece, a cutely pointed Mistress Quickly from Marie Walshe, and a small-toned but engaging Nannetta from Gaynor Morgan. Charles Peebles conducts without unnecessary rhetoric. It is well worth catching somewhere during the spring.

Sadler's Wells until Saturday, then touring England until the end of May; London season sponsored by Arjo Wiggins Appleton

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Concert/**Richard Fairman**

Royal Liverpool Philharmonic/Kempf

The controversy over the return to favour of examinations in the government's education policy has been a reminder of how difficult it is to evaluate the performance of students in any subject area. Competitions, in particular, cause heated debate in musical circles, especially when they pit one instrument against another, as does the BBC's Young Musician of the Year.

It has always seemed to me that the pianist there enjoys an unfair advantage. The concerto repertoire is so much wider; the virtuoso opportunities so eye-catching, if the competitor chooses a big, romantic piece. Frederick Kempf (born 1977) won last year playing Rakhmaninov, but in his case it would be difficult to argue against his first place. Kempf did not play like a child prodigy. He sounded a genuine musician, who just happens still to be young.

For his Barbican concert on Monday, with the Royal Liverpool Philharmonic Orchestra, he chose Rakhmaninov again: the Third Piano Concerto. It was an ambitious undertaking, for the concerto is hard work for young fingers. Much of the first movement seemed to be sensitively played, but it was underprojected, leaving the orchestra to lead the way.

His energies, however, were being conserved. The cadenza brought determination into play; the lead out of it was magical, the scale of the playing suddenly better judged. All of the slow movement had a fine, impulsive lyricism and the finale scampered off towards a scintillating finish at a pace that the conductor, Libor Pešek, had no intention of allowing. For all that, Kempf showed that he has a real interpretation of this concerto in the making.

If Pešek kept his young soloist rather sternly in check, he was correspondingly lax with the orchestra during the opening movements of Berlioz's *Symphonie fantastique*. Ensemble was not sharp, nor were the textures very clear. The best playing came in the final witches' sabbath, where the forward drive at last started to make the flesh tingle a bit: the bells, tolling noisily out from on high, really did sound like an invitation to hell.

Recital/**David Murray**

Pauk and Kirshbaum

Radio 3's Monday lunchtime broadcasts, live from St. John's, Smith Square, have long served us as reminders that serious concerts need not submit to the standard two-hours-plus format. Monday's recital by the violinist György Pauk and the cellist Ralph Kirshbaum was a rewarding case in point. Here we had a piquant pairing: a near Old Master, as Pauk certainly is, known equally for his objective musical penetration and his virtuoso finesse – and a much younger, ultra-sincere American whose musicianly intimacies are his great trump.

There *is* no violin-and-cello repertoire but the duo-sonatas of Ravel and Kodály; but instead of doing the obvious and playing both those duo-sonatas, or exhuming some forgotten duo for the sake of variety, Pauk and Kirshbaum began with expansive unaccompanied solo works. The violinist chose neither lofty Bach or Bartók, nor brilliant Paganini or Ysaye, but old Prokofiev's Sonata op. 115 (1947) – designed for performance by student violins in unison, posthumously published and still virtually unknown.

Prokofiev must have had senior students in mind, for his writing presupposes quite advanced technique and confident bravura attack. Under Pauk's bow it sprang to tough, pungent, wholly characteristic life: we can no longer count this as a negligible work. Kirshbaum opted for Bach's Suite no. 1 in G, and addressed it with as much authority as he invested it with personal, moment-to-moment feeling.

These performances prepared the way superbly for Ravel's 1922 duo-sonata. Though it used to be thought dismayingly astringent, its stern merits have lodged it in the repertoire willy-nilly. Nothing could introduce it better than Prokofiev's robust, linear wit and Bach's leanly expressive patterns.

Ravel's instrumental pair afforded him room for more exposed contrapuntal friction than he had previously dared, and Pauk and Kirshbaum gave the music full value without any mollifying gloss. The muscular shifts of tone in all the quicker *tempi* were stark, unlubricated, compelling. The scherzo suggested a properly baleful subtext – and yet the slow movement was wistful enough to betray a clear echo of the Andantino of Debussy's long-honoured string quartet.

Theatre/**Antony Thorncroft**

On the Piste

Alastair Muir

Ivan Kaye as used car salesman Dave

John Godber's plays are immensely popular. Only Alan Ayckbourn among living British playwrights attracts a bigger audience. It is easy to believe in his appeal. When Dave (Ivan Kaye), the used car salesman in *On the Piste*, describes girl friend Bev (Gillian Tompkins) as "something to do when the pubs close" he gets a hiss that would have pleased any villain in Victorian melodrama.

Godber catches the speech and prejudices of the working class with the facility of a writer of television soaps, and his plots would seem familiar to an addict of *Eastenders*. His magic ingredient is to set the plays in specific oddball locations – a night club in *Bouncers*; a rugby club in *Up 'n' Under*; and an Austrian skiing village welcoming its weekly band of British holidaymakers in *On the Piste*.

This has toured the provinces for some time but has been drastically re-written and re-designed for its London debut. The biggest change is to the sets, by Julie Godfrey. These are truly impressive, as nursery slope follows mountain top, with a sauna and hotel lobby thrown in. Few actors can have addressed the West End suspended from a stalled ski lift. For the first ten minutes you marvel as the actors snow plow and traverse down the astro turf (the secret is to line the skis with baby bubble-bath), and speak their lines, too.

It is a fresh approach for Godber, who traditionally favoured minimalist sets and plenty of action, but gives an undoubted fillip to the evening. The plot is familiar – the falling apart of a group of no hopers who by the end have had as miserable a time as the cast of *Hamlet* – but some characters are woefully under written and strangely unbelievable.

Tony, the ski instructor, is the only link with Austria (the action could really take place anywhere), and although Peter Birch is chillingly familiar as he goes through his weekly sales pitch to his band of ski virgins you never quite know whether he is as superficial as he seems or dying quietly inside. You might like to guess whether he sleeps with frustrated Alison (Julia Deakin), superior *Melissa* (*Stephanie* Pack) or good natured Bev.

Melissa, too, the Sloane fallen among plebs, never gets her moment at the confessional, and remains elusive, and in making the nerdish Chris (Paul Bown) a successful voice over in TV commercials Godber is way off-target. Olivier, Welles, even Angus Deakin, have milked this lucrative and much sought after profession.

Still there are pleasures along the way as we re-learn the familiar lesson that men are bastards and women are weak. Bev, with her macaw voice and bruised heart, is a memorable character, and the involved audience, well seasoned with skiiers, loved it, happy to laugh at the tumbles, cry with the rejections, and shriek with embarrassment at the sauna scene. Bob Thomson directs.

Garrick Theatre (071 494 5085)

INTERNATIONAL

ARTS GUIDE

Leipzig and Lyon are both preparing major musical celebrations for the coming months. Leipzig has two anniversaries to mark - the 250th of the renowned Gewandhaus Orchestra and the 300th of its opera company. Lyon will re-open its Opéra after a £60m reconstruction masterminded by French architect Jean Nouvel.

The Leipzig Gewandhaus has commissioned a special anniversary symphony from east Germany's leading composer, Siegfried Matthus, to be premiered on March 11 under Kurt Masur.

The operatic celebrations follow on May 1 with a new production of Boris Godunov staged by Hungarian film director Istvan Szabo, featuring Simon Estes in the title role.

There will be a ballet premiere on May 2 with choreography by Uwe Scholz, followed on May 8 by Gottfried Pilz's new production of Rameau's Hippolyte et Aricie, conducted by the Leipzig intendant Udo Zimmermann. On May 28, 29 and 30, there will be performances of the Milan production of Stockhausen's Dienstag aus Licht. A new opera by Jörg Herchet, entitled Nachtwache, rounds off the festivities at the end of June.

The Opéra de Lyon re-opens on May 14 after nearly four years of reconstruction, leaving only the shell of the old building as a base for a multi-storey, high-technology theatre. The first production is Debussy's Rodrigue et Chimène , a youthful work which was never heard in the composer's lifetime and for which a special performing edition has now been prepared. It will be conducted by Kent Nagano and staged by Georges Lavaudant.

Nagano also conducts Louis Erlo's new production of Les Contes d'Hoffmann opening on May 15. The following day sees a new production of Coppélia choreographed by Maguy Marin.

The programme is completed on May 20 by Lully's Phaeton, conducted by Marc Minkowski and staged by French choreographer Karine Saporta.

EXHIBITIONS GUIDE

AMSTERDAM

Van Gogh Museum Walter Sickert (1860-1942): a retrospective already seen in London, offering a picture of the early 20th century English painter who was more open to the influences of continental painters than his contemporaries. Ends May 31. Also From Pissarro to Picasso: French colour etchings. Ends April 18. Daily

Rijksmuseum Art, Expertise and Trade: a behind-the-scenes view of the trend-setting early 20th century gallery of J H de Bois. Ends May 2. Also North Netherlandish Art 1580-1620. Ends March 7. Closed Mon

Musée Royal des Beaux-Arts From Brueghel to Rubens: the Golden Century of Flemish Painting 1550-1650. Ends March 8. Closed Mon

BARCELONA

Fundacio Joan Miro Wilfredo Lam: 60 paintings by the Cubanist. Ends March 28. Closed Mon

Museu Picasso The Three-Cornered Hat: Picasso's collaboration with Falla, Massine, Diaghilev and the Ballets Russes. Ends April. Closed Mon (Carrer Montcada 15-19)

COLOGNE

Museum Ludwig Picasso: 180 paintings, drawings, collages, sculptures, ceramics, printing blocks and plates, from the collection built up by the German chocolate magnate and museum founder Peter Ludwig. The collection covers all phases of Picasso's career, from a drawing executed when he was 19 to a reclining nude completed months before he died in 1972. Ends May 16. Closed Mon

BERLIN

Altes Museum The Etruscans and Europe: a major exhibition, already seen in Paris, describing the harmonious civilisation which formed a link between ancient Greece and Rome and influenced art and craftsmanship in central and western Europe. The 650 objects on show include pottery, bronzes, wall paintings and jewellery. Ends May 31. Closed Mon

Bauhaus Archiv Henry van de Velde: retrospective of a key forerunner of Bauhaus style. Ends April 18. Closed Tues (Museum für Gestaltung, Tiergarten)

Alte Nationalgalerie Art in Germany 1905-37. Ends April 11. Closed Mon and Tues

Brücke Museum Painting and Sculpture of the Brücke . Ends April 4. Closed Tues

NANCY

Musée des Beaux-Arts Art in Lorraine 1892-1950. Ends April 18. Closed Tues

LONDON

Tate Gallery Robert Ryman (b1930): retrospective of the American Minimalist noted for the white paintings he has been making for nearly 40 years. Ends April 25. Also Visualising Masculinities: the male body in art since the mid-19th century. Ends June 6. Turner's Final Years. Ends May 17. Daily

Hayward Gallery The Changing Condition of Sculpture 1965-75. Ends March 14. Daily

Royal Academy of Arts The Great Age of British Watercolours 1750-1880. Ends April 11. Daily

LOS ANGELES

County Museum of Art The William S Paley Collection: 84 mainly intimate-scaled early modern paintings acquired by the late founder of CBS. Ends May 16. Also The Maurice Wertheim Collection: 43 representational works by artists including Degas, Monet, Renoir, van Gogh, Matisse and Gauguin. Ends April 25

MADRID

Fundacion Juan March Kasimir Malevich (1878-1935): 42 oil paintings by the Russian artist who invented Suprematism. Ends April 4. Daily

Centro de Arte Reina Sofia Joan Miro: centenary exhibition of 60 paintings and 50 drawings from the years 1920-60. Ends March 22. Closed Tues

NEW YORK

Metropolitan Museum of Art Honoré Daumier: restrospective of the 19th century French cartoonist and painter, with 100 works in charcoal, crayon and watercolour, combined with selected examples of his paintings, prints and sculpture. Ends May 2. Also Modern Design Drawings: from the influential British industrial designer Christopher Dresser to the present day. Ends April 4. Closed Mon

Museum of Modern Art The Drawings of Joseph Beuys (1921-86): 200 examples in a variety of mediums, including pencil, watercolour, oil and collage, and an installation of 100 blackboards. Ends May 4. Closed Wed

ROME

Palazzo Venezia Rome under Sixtus V: the third of a series of exhibitions celebrating the fourth centenary of the death of the Pope who during his short reign (1585-90) did more than any other to turn Rome into the first modern city of Europe. Ends April 30. Closed Mon

PARIS

Centre Georges Pompidou Matisse: a re-shaping of last year's show at the Museum of Modern Art in New York, consisting of 130 oils and most of the sculpture from the years 1904-17. The exhibition celebrates the artist's new vision based on an explosion of colour in grandiose compositions, ranging from the Fauve period to his first stay in Nice. Ends June 21. Closed Tues

Musée d'Orsay 1893: The Europe of Painters. 100 paintings ranging from French Impressionists to English, Norwegian and Belgian Symbolists and Italian and Russian Realists, showing how ideas flowed freely between European countries a century before the 1993 opening of frontiers. Ends May 23. Closed Mon, late opening Thurs (quai Anatole France)

Louvre The Century of Titian: the golden age of painting in Venice. Michel Laclotte's farewell show as director of the Louvre includes 135 paintings and 140 drawings, examining how Giorgione and Titian defined Venetian painting throughout the 16th century, and including eight newly-cleaned Titians from the Louvre's own collection. Ends May 31. Also French 17th Century Drawings: Vouet, Lebrun, Poussin and Claude Lorrain are represented among the 160 works. Ends April 26 (Pavillon de Flore). Veronese's The Marriage at Cana. Ends March 29 (Salle des Fetes). French Painting and Graphic Art of the 18th and 19th Centuries (Cour Carrée 2nd floor). Closed Tues

Musée d'Art Moderne de la Ville de Paris Figures du Moderne: Expressionism in Germany 1905-14. Ends March 14. Closed Mon, late opening Wed (11 ave du President Wilson)

NANTES

Musée des Beaux-Arts The Russian Avant-Garde 1905-24. Ends April 18. Closed Tues

STUTTGART

Galerie der Stadt The Rudolf and Bertha Frank Collection: 100 Expressionist works, including paintings by Kirchner, Dix, Nolde and Kokoschka. Ends April 4. Closed Mon

WASHINGTON

National Gallery of Art Contemporary drawings and prints from the permanent collection: 123 works by David Hockney, Jasper Johns and others. Ends March 14. Daily

Phillips Collection Georgia O'Keeffe and Alfred Stieglitz: a conversation in paintings and photographs 1918-30. Ends April 4. Daily

Textile Museum Saltillo Sarapes: 42 woven wearing blankets from north Mexico dating from the 18th and 19th centuries. Ends Aug 8. Daily

Modest step for reformers

Political tensions will limit the scope of India's budget, says Stefan Wagstyl

India: road to reform

% change from previous year

	87-88	88-89	89-90	90-91	91-92	92-93
Real GDP	4.3	10.9	5.6	5.2	1.2	4.2
Agricultural output	-0.5	21.0	2.1	2.7	-2.8	5.0
Industrial output	7.3	8.7	8.6	8.3	-0.1	4.0
Consumer prices*	10.9	8.5	6.6	13.6	13.9	8.4
Exports ($bn)	12.1	13.9	16.6	18.1	17.8	18.0
Foreign exchange reserves ($bn)**	5.6	4.2	3.4	2.2	5.5	5.2

All years March year end. All figures official.
*For year to end November 1992; ** At end January 1993*

Demonstrators, armed police and the smell of tear gas were the talk of Delhi yesterday. Tomorrow it will be economics.

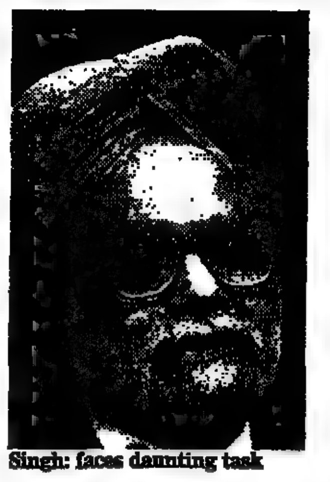
The Indian government survived an important challenge by suppressing a planned mass rally by Hindu militants in the centre of the capital. Tomorrow it meets an equally significant test when Mr Manmohan Singh, the finance minister, presents his annual budget and launches a new phase of India's wide-ranging reform programme.

When he addresses parliament, Mr Singh must try to convince the nation and foreign countries that the passions raised by the destruction of the Ayodhya mosque last December have not deflected the government from the vital task of modernising the economy and opening it up to international trade and investment.

He faces a daunting challenge, given the determination of the Bharatiya Janata party, the right-wing Hindu party whose supporters stormed the mosque, to prolong the atmosphere of political crisis. As Mr Kantikumar Poddar, the president of the Federation of Indian Chambers of Commerce and Industry, says: "This is a very important budget for the country because of the uncertainty which has been created about the future of economic reform."

Mr Singh does not have political support for the kind of radical measures which might turn the spotlight away from Ayodhya. Mr Narasimha Rao, the prime minister, prefers to keep his head down, in the hope that the storm raised by the BJP will blow itself out. So instead the finance minister is likely to present a modest package – and hope it will be enough to keep India on the road to economic recovery.

He will take credit for the measures he has carried out so far, including cuts in protectionist customs duties, easing restrictions on foreign investors, reductions in government subsidies, and the scrapping of much of the "licence raj" – the system under which companies needed government permission to build or expand factories. Last summer's scandal in the Bombay securities market and the Ayodhya crisis limited the speed of reform in the second half of last year, but the government has sought to regain the initiative in the past month with a spate of announcements, including the partial liberalisation of state-controlled fuel prices.



Singh: faces daunting task

The finance minister will also point out the fruits of these changes: he has pulled India out of a balance-of-payments crisis, curbed government borrowing and cut inflation in half to about 7 per cent a year. With the help of a good monsoon, economic output is growing this year at a steady annual rate of 4 per cent, up from 1.2 per cent in the year to March 1992. Exports are increasing and foreign investors have pledged about US$1.3bn in the past 18 months – more than in the previous decade.

The World Bank and the International Monetary Fund pronounce themselves satisfied with India's progress. As the government's annual economic survey said this week: "The phase of crisis management is over."

The question is what comes next. The budget is almost certain to contain a reduction in import duties of perhaps 20 percentage points from a current maximum of 110 per cent.

There could be tax changes to encourage private-sector investment and some extra incentives for exports. The finance minister may also signal further liberalisation of the foreign exchange rate, a move which would allow the rupee to devalue, so helping exporters.

All these non-controversial measures will be welcomed by Indian and foreign businessmen alike – and can be done with little fear of opposition.

The finance minister is likely to propose further cuts in government borrowing, which has already fallen from 8.4 per cent of GDP to 5 per cent. His preferred route will be to reduce subsidies for fuel and fertilisers, in order to pave the way for free pricing in these vital markets.

But the scope for cuts is limited. Last year, farmers, the biggest beneficiaries of handouts, protested so strongly against reductions that they had to be paid compensation. This year, with the government weakened by the Ayodhya crisis, ministers will tread even more warily.

Mr Singh is also expected to press ahead with financial market reform, which was delayed by last year's scandal in which Rs35bn (£814m) was diverted from banks into the stock market. A top priority for reformers is the restructuring of the state-owned banks on commercial lines. In particular they want changes in a rule which requires them to put 30 per cent of their deposits into low-yield government accounts – a drain of credit away from industry.

However, Mr Singh is limited by the fact that these funds are a cheap source of finance for the government. So banking reform is dependent on reform of public spending – including cuts in support for state-owned industry and consumer subsidies.

If reform of subsidies and of banking will be limited by political considerations, a third important area – redundancy laws – will probably be off the agenda. The government believes that, to help promote investment, it should relax restraints on employers' powers to dismiss workers. It has been told as much by businessmen, including the British delegation which last month visited India with Mr John Major, the prime minister.

But ministers have been wary of advancing reform for fear of political opposition, particularly from the left. In the wake of the Ayodhya crisis, the ruling Congress (I) party needs support from left-wing parties and labour unions to help counter the right-wing BJP and its allies. So, Mr Singh is even less likely to be bold in this area than he was before.

India, therefore, will not rush its reforms. With each passing month, Mr Rao's liberalisation programme looks less like a blitz and more like a drawn-out campaign. The democratic tradition, the decentralisation of power to the provincial states, and the ability of the bureaucrats to block changes that might threaten their power all serve to stifle change. Ayodhya is yet another excuse for going slow. As Mr Freddie Mehta, a senior director of the Tata group, India's largest industrial group, says: "You can't go as fast as Margaret Thatcher in India."

The problem is that some challenges will become harder with the passage of time. The longer it takes for the government to cut wasteful public spending, for example, the longer it will be before funds are available to invest in education and infrastructure. Half of India's population is illiterate. A quarter of the electricity produced is wasted through inefficient transmission.

The government hopes that the current reforms will lay the foundations for a substantial jump in the rate of economic growth, perhaps to 7 per cent a year. With such a leap, India will be able to generate funds to meet some of its chronic investment needs and attract foreign capital. But such a take-off is still some distance away, and Mr Singh's budget is likely to be but a modest step in the right direction.

Joe Rogaly

Faint signs of life

Britain's Labour party is showing faint signs of recovery from the torpor into which it sank last April. Its leader, Mr John Smith, has begun to find his feet. He is performing better in parliament. He is also, in his own way, stage-managing the half-modernisation of his party, to the extent that his cautious nature permits. Although not good enough, the process is significant.

For the past two weeks Mr Smith has managed to excoriate Mr John Major so effectively that on Tuesday the prime minister took up the traditional whine of the contemporary politician in trouble. The Labour leader, Mr Major bleated, is indulging in "sound-bite" politics. Titch. Some of Mr Smith's remarks about how unemployment has risen under the Tories have turned up on the radio and television news. Voters might have overheard.

The extent to which the electorate is taking any notice at all of politicians who have so signally failed them is questionable. None of the parties has an attentive audience right now. Backstage, however, some of what Labour's conservative critics have been asking for is being taken seriously. This should be acknowledged. What might pass, in a poor year with the lights out, for a "new" Labour party is being constructed. Mr Smith set the tone in a speech in Bournemouth on February 7. Labour's goal, he said then, "must be about the advancement of individual people". This could only be fully achieved, he added, "in the context of a strong and supportive society".

Oops. Wait a minute. What did he mean by "strong and supportive society?" Not state ownership, or excessively high taxation, or "government simply for its own sake". But, believe you me, untold shelf-miles of regulations. "In the modern world, you simply cannot leave everything to the market any more than you can leave everything to the state," said Mr Smith. Coming from a Tory moderate, such a remark might sound unexceptionable. Coming from a leader of the leftwing, it arouses suspicions.

Labour is the creature of the trade unions that founded it. In whose interests would regulations be drafted? Mr Smith needs to spread the belief that the answer is us, as citizens and consumers. He needs to be convincing. That is why he moved on Wednesday to weaken the hold of the unions over the party organisation. They commanded 40 per cent of the votes in the electoral college that chose him last July. He now favours excluding them from future party leadership contests. He would also have unions excluded from the process of selecting parliamentary candidates, although on this he offered a sop – a future register of union members who support Labour – to soothe any wounded feelings.

Labour and the unions should live separately. The unions can always send a cheque through what will soon be the privatised mail

Then he blew it. The trade union bloc vote at Labour's annual conference provides annual sound-bites that confirm that the unions run the party. The bloc will command a mere 70 per cent of the votes this year, down from 90 per cent. Mr Smith now supports a gradual reduction of the union presence to 50 per cent, as the number of individual members increases. As he said this week, that is not a divorce; he never wanted a divorce. Yet the suspicion that Labour is the tool of a powerful vested interest will persist until there is an arms-length relationship with the unions. They should live separately, as do the Democrats and the AFL-CIO in the US. The unions can always send a cheque through what will soon be the privatised mail.

Mr Smith is also being too cautious about the removal of clause 4 – the one interpreted as threatening the old-fashioned nationalisation of industries – from the party's constitution. He regards this as of little concern to the average voter. True, but it is no use deploying the words "new" and "renewal" 25 times in a 37-minute speech, as he did at Bournemouth, if there is to be no symbolic deconstruction of Labour's socialist past.

There are also significant noises coming from other Labour spokesmen. The twin slogan – individual and community – is being deployed to some effect. As I suggested on Tuesday, Mr Tony Blair has the Tories rattled with his attacks on their record on crime. Mr Gordon Brown is two speeches on in a series in which he will seek to convince us that Labour's "new economics" is a serious alternative to the government's non-strategy.

Mr Brown has not yet found the magic formula. His "investment in people" and "partnership" between industry and government sound Clintonesque. He is calling for more competition for the privatised utilities. He might evolve into a credible trust-buster if he stops being over-enthusiastic about regulation and stops over-stressing the cross-directorships between Tory MPs, ex-ministers, and the new companies. In the delicate art of attacking the Tories on their right flank Mr Blair is the master, Mr Brown the apprentice.

Mr Smith's unique selling point may be his passion for constitutional reform. Britain is "one of the most centralised states in Europe," he pointed out in his acceptance speech. "I want ... a future that puts power back in the hands of our citizens," he said in Bournemouth. He will be more specific at a meeting of Charter 88 on Monday night, although he will be coy about proportional representation. He will doubtless speak about his belief in regional government, devolution to the Celtic nations, a bill of rights and a freedom of information bill. In his view, the latter would include consumer rights and corporate information.

The Labour leader is an admirer of the German federal constitution, and a true believer in decentralisation – unlike his predecessor, who never bought devolution and quite unlike Mr Roy Hattersley, Labour's former deputy leader, who gagged on the bill of rights. When he packages all this as a new "open society" Mr Smith may be able to command greater verisimilitude than does Mr Major with his carefully-controlled Citizen's Charter.

This emphasis on constitutional change is music to my ears, but it is hardly pop. It would be a treat to say that Mr Smith is bringing British political debate back to life. Alas, it is far too early to draw any such happy conclusion. We are still saddled with an ineffably weak government that appears likely to complete its term, and an opposition that seems insufficiently aware of how radically it must change if it is to win next time.

LETTERS TO THE EDITOR

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A suggested cure to the problem of surplus ACT

From Mr Christopher Daws.

Sir, Howard Davies (Letters, February 23) is right on diagnosis but wrong on the cure. "Surplus ACT" is indeed an incentive to move costs offshore. Unpalatably, however, an effective cure would increase the tax bill of those companies which are now complaining.

Contrary to general perceptions, the ACT system positively encourages companies to invest overseas, up to a point. This is because they reduce their UK tax bill by paying dividends out of the overseas profits and claiming, quite legitimately, that the dividends come from UK profits. Of course, this analysis regards the ACT as a withholding of income tax on the gross dividend, and not as a tax on the company profits, as your leader of February 19 ("Budget for the supply side") states.

If the overseas profits go beyond a point – typically around half of group profits – the company will have made this claim to the full and will run into "surplus ACT". It will by then be paying only 8 per cent tax on all its UK profits.

A well-advised chancellor would stop dividends funded from overseas profits being used to reduce UK tax bills. UK companies would then find they had a marginal corporation tax rate of 33 per cent and would no longer have a tax reason to export their administrative and development functions. This move would increase the tax liabilities of most UK companies investing overseas and put them on to the same footing as overseas companies investing here.

Christopher Daws,
Sheepscombe House,
Jack's Green,
Sheepscombe,
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Gloucestershire GL6 7RA

Government should remove UK bias against full-time jobs

From Mr Frank Field MP.

Sir, Edward Balls writes ("A scar that will persist for years to come", February 18) on the high level of unemployment which will continue to exist after the UK economy recovers from the present slump. One reason why the outlook is so pessimistic for the unemployed is, he says, that "technological change and competition from low-cost producers in developing countries has reduced the demand for unskilled labour other than in low-wage, often part-time employment. These jobs have ... been mainly taken by female entrants into the labour markets".

Evidence on part-time working is usually cited in support of this view. Since June 1978, well over 2.5m full-time jobs have been lost. Over the same time there has been an increase of more than 1.25m of part-time jobs. Indeed, a third of those in employment now work part-time. This trend is way out of line with other European countries, with Britain currently employing 40 per cent of Europe's part-time workforce.

But is this due to the market forces which Edward Balls describes? Or are there particular circumstances in Britain which make such an outcome inevitably unfavourable to those wishing to seek full-time employment?

I would suggest that such an outcome is inevitable, given the way the contributions for national insurance are structured. Employees and employers pay no contribution on the first £54 of earnings. When creating new posts, many employers bear this in mind and often offer part-time rather than full-time posts. Some employers, Burton is a recent example, are now cutting full-time jobs and offering only part-time work.

I believe it is time that these national insurance rules were looked at critically. I would hope that the government would consider in next month's budget levying national insurance contributions for employers from the very first pound of earnings. As the move would not be aimed at raising additional revenue (which would be an additional tax on jobs) the overall level of employer contributions would therefore be adjusted to make the move revenue-neutral.

Such a simple change would remove the present bias which is working in favour of creating only part-time employment. It would not, of course, prevent employers and employees negotiating packages of less than full-time employment. But it would mean the removal of the current penalty which operates against the creation of full-time posts.

Frank Field MP,
House of Commons,
London SW1 0AA

UK mechanical engineering sector can fight back

From Mr P Salisbury.

Sir, Andrew Baxter ("Charting the mechanics of decline", February 22) makes reference to the fact that UK industrialists complain that they are forced to buy foreign equipment. He goes on to say that process plant contractors say it is "no longer possible to buy big UK-produced compressors".

As managing director of Peter Brotherhood, I can assure him that large gas compression equipment, whether reciprocating, centrifugal or screw machines, is manufactured in the UK, most notably by ourselves in Peterborough. While I cannot speak for any other UK manufacturer, I can assure him that process plant contractors, and other customers, continue to buy our equipment on the basis that our quality, delivery and prices are competitive with those of any other manufacturers throughout the world.

In view of the dismissive comment about the British machine-tool sector by the head of a German machine-tool company, I can only hope that the complacency contained in his remarks continues.

While there are many aspects of German industry worthy of study, my experience of buying specialised equipment from Germany is that the equipment is often delivered late, of poor quality and accompanied by an attitude on commercial matters that borders on arrogance. On that basis, maybe UK industry can start to fight back.

Finally I would say that size is not the issue with regard to the mechanical engineering sector. Neither indeed is the absolute value of currency.

What really matters is the ability of UK companies to penetrate their markets properly and to offer high-quality goods delivered on time, and manufactured cost-effectively. If we get these matters right, then everything else will follow.

Mr P Salisbury,
managing director,
Peter Brotherhood,
Lincoln Road,
Peterborough PE4 6AB

Rupert Brooke: no relation

From Mr Justin Brooke.

Sir, Michael Arditti is to be congratulated on his article "Drama at the Marlowe Society" (Arts, February 20). However, he is in error in suggesting that Rupert Brooke was in any way related to my late father. Apart from a writer of doggerel verse, we have no poets in our family.

Justin Brooke,
Chymorvah Vean,
Marazion,
Cornwall TR17 0DQ

The going can get tough when payment of a debt is sought

From Mr Robert Jenkins.

Sir, The battle between the large customer and the small supplier is rougher than Michael Cassell ("The dangers that lurk in delay", February 23) makes out. A couple of weeks ago a colleague and I went to a large customer which owed what was to us a large sum – the debt going back five months. All telephone attempts to get the debt had received the now usual response of "the cheque is in the post" and similar excuses.

We waited patiently for more than three hours until we eventually got to meet the company's finance director. His view was stark – his company had not produced the necessary internal documentation to allow him to pay us. So he was not going to pay us. Bad luck, goodbye!

We persisted as courteously as the circumstances permitted, only for me to end up in hospital with damage to my spine resulting from the finance director losing his cool and tipping me on to the floor.

And the company still hasn't paid up.

Robert Jenkins,
managing director,
Burnaston Crane and Plant Hire,
Worksop Road,
Blyth,
Worksop, Notts S81 8DX

Income stream

From Mr John Duffield.

Sir, Your editorial, "Paying for roads" (February 23), referred to "the lack of any income stream from the roads". I do not know how much income the government gets from excise duty on petrol and road fund tax, but, as Damon Runyan would have put it, if this is not an income stream from the roads, it will do until an income stream comes along.

Given this, any further income should be raised by increasing one or both of these. The marginal cost of collection is nil, so the take is correspondingly maximised.

John Duffield,
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FINANCIAL TIMES

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Friday February 26 1993

When industry fears the worst

FOUR-THOUSAND more UK jobs to go at ICI, 2,400 at British Gas – day by day the toll continues. The scale of the cutbacks at some of Britain's leading companies is striking. Is UK industry in a self-reinforcing spiral of pessimism?

Behind the wave of cuts lie the pressures of an agonisingly long-drawn-out recession. But there are also deeper trends.

In all developed countries, there is a steady fall in the proportion of the labour force engaged in manufacturing production. The shrinkage of employment in the manufacturing sector as a whole – a drop of 16 per cent in the UK since 1988 – if anything understates this, since more and more manufacturing workers have service-type jobs, in design, marketing, after-sales, and so on.

Europe must also cope with the restructuring of production and distribution during the creation of an integrated regional economy. Any individual European economy is likely to gain jobs from this process as well as lose them – but in hard times bad news is always more striking than good.

Though services are destined to play a larger role in future employment, they have been undergoing their own shakeout, in both the US and the UK. Middle-managers in big companies, clerks in banking and insurance, stockbrokers and telephone engineers – no service occupation has been immune. Deregulation and privatisation are special cases of this trend.

At worst, these forces are inescapable. At best, they contribute to the long-term health of companies and the economy: everyone gains from the cost savings forced on British Gas by its regulator.

Still, there was something in the tone of yesterday's message from ICI – the emphasis on continued cost-cutting, the born-again ruthlessness about businesses which fail to meet profitability targets – that hints at the emergence of a mood of contagious pessimism among British industrialists.

That darker mood will serve a purpose if it is accompanied – as at ICI – by a willingness to address difficult strategic issues. Companies that do not ask themselves such questions are not helping their shareholders or their employees. Pessimism alone is not a strategy.

Italian question

WITH EACH passing day, the political crisis in Italy more closely resembles a *fin de régime*. One by one, some of the highest in the land are toppled by a spreading series of corruption scandals. The political parties that ran the country in shifting anti-communist coalitions during the cold-war decades are discredited to the point of illegitimacy. Top public and private sector company managers find themselves in increasing numbers behind bars. The government teeters and the lira plunges. Beneath it all, a groundswell of public discontent is forcing fundamental political change on to the agenda, and if Italy's ruling class fails to find an adequate response, it may simply be swept away.

That change was on the way has been increasingly apparent since general elections delivered an unprecedented rebuke to Italy's established parties last April. The coalition government created in response, under the deputy leader of the Socialist party, Mr Giuliano Amato, set out an ambitious and long overdue programme of economic reform. It has managed – by political guile and by dint of the weakness of traditional party bosses – not only to survive but to push through a surprising number of changes to Italy's bloated welfare state and its ossified wage-bargaining system.

But it always had something of the air of a transitional regime, and that impression has become irresistible in recent weeks. The main reason is the spreading array of investigations into senior politicians and businessmen being conducted by magistrates up and down the land. Emboldened by strong public support, the magistracy has provided detailed evidence of a network of bribery and corruption that reaches into the fabric of Italian political and economic life. The politicians have been paying the price – from Mr Bettino Craxi, who was forced to resign as Socialist leader earlier this month, to the latest casualty, Republican Mr Giorgio La Malfa.

As a result of all this, and of the government's own divisions, Mr Amato's government is clearly living on borrowed time. Its sole realistic *raison d'être* is now to survive long enough to oversee changes to Italy's voting system that will enable new general elections to be held later this year. Even the shaping of the new system is out of the hands of the established politicians, and will probably be decided by referendum in April.

New elections are the only way that Italy will begin to pull itself out of the present morass, and it would make no sense for them to be held under the current system of proportional representation, which has been in some measure responsible for the country's history of weak government. After the proposed plebiscites, Italy will probably end up with a mixed system of first-past-the-post and proportional systems, which at least stands a greater chance of presenting voters with genuine political choices and the possibility of alternance in power.

However, such technical changes are only a first, small step towards the more thoroughgoing constitutional, political and economic changes Italy needs, including greater transparency in the operations of its public sector, radical reform of the state budget and of party finances, vigorous privatisation of state assets, and a more sensible distribution of power between central government and the regions.

Indeed, tinkering with the electoral system without more broad-based reform could just as easily exacerbate Italy's existing divisions, with the regionalist Lega Nord predominant in the north and the Christian Democrats in the centre and south. The result could be stalemate, further damaging drift on fiscal and other policies, and even ultimately the break-up of the country.

Any newly elected Chamber of Deputies and Senate will have to assume the role of a constituent assembly with the task of drafting a new constitution, and confronting the real dilemmas Italy's political system has enabled it to duck for so long. That is what the voters, in the south of the country as much as the north, seem to be ready for.

Not so special

SIR JOHN Major yesterday seemed well satisfied with his first meeting with President Bill Clinton. Indeed there is no reason to think it went badly. But it would have had to go very badly for Mr Major to say so in public, since its main purpose was to demonstrate, for British domestic consumption, that the "special relationship" is still in working order.

The truth is that this relationship is special above all in its lopsidedness. For a time the personal respect and affection of the then President Ronald Reagan for the then Mrs Margaret Thatcher did something to offset the manifest inequality between their two countries. But even the afterglow of that time has now faded.

All the world can now see is, on the one hand, a self-confident young American leader, fully engaged in an ambitious project of national recovery and not in the least disposed to be sentimental about any foreign country; and, on the other hand, a nervous and defensive British leader whose project has already been derailed.

Mr Major desperately needs to be seen to get on well with Mr Clinton. Mr Clinton has no reason to quarrel with Mr Major, but that is as much as one can say.

On two issues Mr Major's advisers claim that he was able to influence the president. On one of them, the handling of the war in Bosnia, the Clinton administration has indeed moved closer to the European view and away from its early twitches of more forthright interventionism – but this change occurred a fortnight ago. All that happened this week was a fairly simple bargain: Mr Major agreed to swallow his doubts about the wisdom of parachuting relief supplies into the Moslem enclaves, in return for being publicly exempted from participation, with a gracious acknowledgement of what British troops are already doing on the ground.

On the other issue, trade, the differences are real and important. It will have done no harm for Mr Clinton to be reminded personally by a European leader of what is at stake. But no one should imagine that by reiterating his commitment to a successful conclusion of the Uruguay round he actually shifted the US position on any of the points in dispute; still less that Mr Major was able to convince him that European governments' advances to the Airbus consortium are not really subsidies. If anyone did think so, they will have been disabused yesterday by the US trade representative, Mr Mickey Kantor, who revealed that he is asking for "special consultations" on Airbus before the present agreement expires in July.

Richard Waters says that the current bull run in the world's main bond markets could lose momentum

In sight of the summit

The bull market in bonds around the world has taken a further, dizzying turn in the past fortnight. Bond prices have soared, pushing yields down to levels not seen for more than two decades in the US and UK markets. The Japanese bond market has risen to heights not touched for more than 25 years, save for a three-month interlude in the 1980s.

Is this bull market about to run out of steam, or is the world economy as weak as the buyers of bonds seem to believe? Most market observers believe the top of the market may soon be reached.

"We're not there yet – but we're much closer to it than we have been for a long time," says Mr Gordon Johns, a managing director with Kemper Investment Management, the US fund management company.

The argument for buying bonds rests on the economic slump that has afflicted industrialised nations. Without economic growth, companies cannot generate the higher profits and pay the bigger dividends that make investors buy equities.

Also, with the slowdown encouraging governments in Japan and the US to cut short-term interest rates to historic lows, investors have had little incentive to leave cash in short-term deposits with banks or in money-market instruments. Result: a rush into bonds.

The US bond market has led the surge. The market's bell-wether, the 30-year bond (known as the "long bond"), hit its highest level since the early 1970s at the start of this week. The yield on the bond tumbled below 7 per cent, encouraged by the economic plan announced by President Bill Clinton in his state of the union address last week.

The romance between Mr Clinton and the bond market has been remarkable. Last autumn, the prospect of a Democratic victory in the presidential election for the first time in 17 years seemed a bond investors' nightmare. The market feared the incoming president would bring in measures to stimulate the economy, in the process stoking up inflation and adding to the US fiscal deficit.

Mr Clinton's tax-raising and deficit-reducing plan has eased those fears. In the past week, the yield on the long bond has fallen from 7.12 per cent to 6.82 per cent. This suggests a high level of confidence in an untried president, whose ability to push through a tough economic package is still uncertain.

The leap in bond prices in Japan has been equally marked. Last summer, the yield on the benchmark government bond No 145 stood comfortably above 5 per cent. An admission by the authorities that the real economy was slowing down sharply after the collapse in property and share prices since the end of the 1980s forced the yield down to 4.5 per cent by the turn of the year.

Earlier this week, the yield fell below 4 per cent. The rise of the yen has provoked fears that Japanese exports will become less competitive, further undermining the country's manufacturing sector. Finance minister Mr Yoshiro Hayashi said earlier this week that another reduction in the country's discount rate – cut to just 2.5 per cent earlier this month – could follow.

The buying spree in part reflects disillusionment with Japan's equity market. The Nikkei average is stuck at about 17,000, less than half its peak in 1989, and investors have little confidence that share prices will rise soon. As a result, they have channelled their money into bonds.

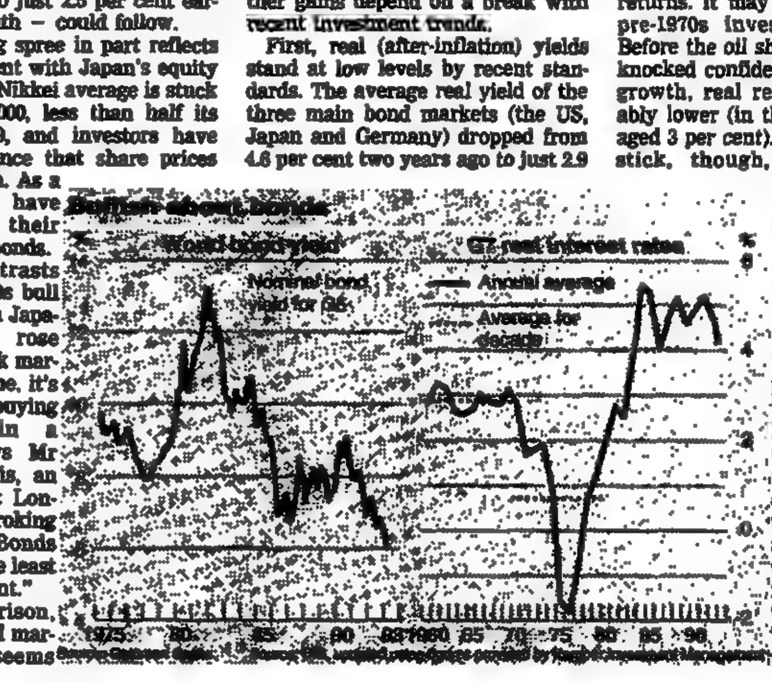
That contrasts with the 1980s bull market, when Japanese bonds rose with the stock market. "This time, it's the sort of buying you get in a slump," says Mr Stephen Lewis, an economist at London Bond Broking Company. "Bonds are simply the least bad investment."

By comparison, Europe's bond market rally seems almost sedate. Nevertheless, the yield on long-dated UK government bonds (gilts) fell below 8½ per cent a fortnight ago, its lowest level since the early 1970s.

Can these price rises be sustained? At least three factors suggest that the bond markets are entering testing times, and that further gains depend on a break with recent investment trends.

First, real (after-inflation) yields stand at low levels by recent standards. The average real yield of the three main bond markets (the US, Japan and Germany) dropped from 4.6 per cent two years ago to just 2.9 per cent at the start of this year, according to Kemper Investment Management. During the 1980s, real yields averaged 4 per cent.

This suggests that bond investors expect inflation rates to fall further, or that they think the threat of resurgent inflation has receded and are prepared to accept lower real returns. It may be a return to the pre-1970s investment landscape. Before the oil shocks of that decade knocked confidence in low-inflation growth, real returns were noticeably lower (in the 1960s, they averaged 3 per cent). Even on this yardstick, though, the main bond markets have reached testing levels.



The second factor restraining bond prices is the relationship between equity and bond yields. The pattern in the UK throughout the 1980s was for bonds to yield more than twice the level of equities, reflecting the way in which anticipated inflation benefits equity investors while hitting bond markets. The ratio of bond to equity yields has now fallen below two.

In the US, meanwhile, bonds yield about 4 percentage points more than equities, roughly the level they have held for the past three or four years. Bond prices will only rise further if this relationship shifts.

That this could be about to happen, according to observers like Mr Lewis. He argues that investors in the US have overly optimistic expectations of earnings growth in US companies as the economy comes out of recession. As their hopes are disappointed, he expects a switch from equities into bonds. However, he adds that this would give only a limited extra lease of life to the bond market because of the historically low level of yields.

The third shadow over the bond markets comes from the large overhang of bonds that governments around the world will have to sell this year. Members of the G7 group of leading industrial nations are expected to raise more than £500bn between them to finance the large budget deficits that have resulted from economic downturn.

Borrowing needs of several European countries threaten to outpace the capacity of their domestic bond markets, forcing them to the international bond (Eurobond) market for money. Italy, Sweden and Finland have borrowed internationally this year. This competition for capital could prevent long-term interest rates falling, limiting further gains in bond prices.

The combination of these factors is prompting investors to review their exposure to bonds. "The case for being bullish on bonds is nowhere near as clear as it has been," says Mr Johns of Kemper Investment Management.

Nevertheless, there may still be some areas of growth. Markets in Europe where currencies are still tied to the European exchange rate mechanism should offer the best hope. High German interest rates have kept European bond yields higher than they would otherwise have been given the slowdown in the European economy. Further easing of the Bundesbank's monetary policy – provided it does not imply that Germany is relaxing its anti-inflationary stance – can only be good for bonds.

However, even here prices could have risen too far, too fast. With financial markets anticipating a quick fall in German short-term interest rates, 10-year bonds have fallen sharply this year, nudging below 7 per cent 10 days ago.

For the other big markets, the market peak seems even closer. There may be little current risk of an inflationary spiral, sending bond prices crashing. But the world economy will need to take a further lurch towards the abyss if the bull market in bonds is to maintain its recent momentum.

Merseyside covets neighbour's lifestyle

Ian Hamilton Fazey on the contrasting fortunes of two regions in the north-west of England

Market forces are playing havoc with north-west England. The European Community this week proposed Merseyside should be downgraded in Europe's league table of economic distress to Corsican levels, qualifying for extra funding.

Yet only 35 miles away, its old rival Manchester is celebrating. Next week the £265m first phase of Manchester Airport's Terminal 2 will open – a symbol of economic resurgence. This week, the city beat off London and Santiago de Compostela in Spain to stage this summer's world chess championship match between Garry Kasparov and Nigel Short. In September, the city hosts the second Earth Summit and will hear if its bid for the 2000 Olympic Games has succeeded against the front-runners, Sydney and Beijing.

This is the league a buoyant Manchester is playing in. But Merseyside wants to spoil the party: local leaders say Liverpool airport should be expanded from 400,000 to 12m passengers a year. Their proposal would preclude the need for a second runway at Manchester airport, which Manchester wants to handle 30m passengers a year by 2005, compared with its present 12.4m.

Since the second runway would intrude into the affluent Cheshire green belt, Merseyside will join some of the north's richest residents next year to fight it on both environmental and economic planning grounds at a public inquiry.

Planners estimate that every 1m passengers a year passing through an airport generate about 1,000 jobs. The five Merseyside boroughs – Liverpool, Knowsley, St Helens, Sefton and Wirral – want them funnelled where they are needed most.

Merseyside's unemployment rate of 17.5 per cent compares poorly with Greater Manchester's 11.4 per cent, which is nearer the national average. The latter's economy is diversified and has withstood the current recession well, while Merseyside's has continued to struggle.

Indeed, the economic tide has been running against Merseyside for most of the century. The Right Reverend David Sheppard, bishop of Liverpool, says: "In every recession, Merseyside has gone down further and faster than anywhere else and has never recovered to the level from which it started. Unemployment here is not cyclical, but chronic and structural."

Changing patterns of trade, coupled with new technology in bulk shipping and stevedoring, have continuously reduced demand for unskilled labour and port-related services in the Mersey docks.

The catalyst for reversing decline, says Mr Ian Berry, chief executive of Liverpool Chamber of Commerce of Industry, "is to improve strategic sites and create a better image". Many of these sites are derelict and near Liverpool airport.

Mr Harry Rimmer, leader of Liverpool City Council and an airport director, says EC money would go towards reclaiming derelict land and improving road and rail links between the airport, motorways, railways – and Manchester.

He says Merseyside was already on the slide before the financially disastrous period of 1983-87, when Militant, a Marxist grouping he has helped purge from the Labour party, controlled Liverpool council.

The area had 619,000 jobs in 1977, but by 1981 this was down to 580,000. The figure dropped further to about 480,000 by 1986 and about 420,000 in 1990. Most lost jobs were manual. Most of the area's employment is now in service businesses, which require an educated or skilled workforce.

An exodus of people with the wrong skills, unable to get work locally, saw Merseyside's population shrink by 276,000 to fewer than 1.4m between 1971 and 1991 – the most rapid rate of contraction in Britain in that period. Paradoxically, depopulation has not seriously damaged the tax base and local spending power, because the remaining workers are better paid.

What drags Merseyside down to EC disaster levels, however, are 47,000 long-term unemployed. Mr Peter Stoney, a Liverpool University economist, says more than three-quarters of these are male manual workers and half live in council houses, so they cannot move.

"We need the type of economic growth that will match the quality of the labour available. Retraining has not had a noticeable effect," Mr Stoney says. "We need more port-related and 'brown' [manufacturing] industries. Leisure and office developments push land values above what manufacturers can afford."

No-nonsense business parks for manufacturers, clustered around an expanding airport, might do the trick, thinks Mr Rimmer. But if Manchester gets its second runway – never mind the Olympics – Merseyside's fear is that it will always be the poor relation.

OBSERVER

Problem for the Gatt pack

■ *If a job's worth doing, it's worth doing well.* The old saw may be in the mind of ousted Canadian premier Brian Mulroney whose name has rapidly joined those being canvassed as a successor to Arthur Dunkel as director-general of the fate-temptingly named General Agreement on Tariffs and Trade.

Canada's involvement in international trade questions should have given Mulroney the background to do the Gatt job as well as any of the others mooted as candidates.

He is on first-name terms with most of his fellow G7 leaders and has the added experience of knowing how to hold together a country which, like the international trading system, is in danger of disintegrating.

However, he is not the only out-of-work international statesman looking for a big job. The names of Lord Lawson and Peter Sutherland, the Irish predecessor of Sir Leon Brittan as the European Community's competition-policy commissioner, have been mentioned, as has Mexico's President Salinas, even though he's not expected to step down until next year.

The problem for all of them, however, is whether the job will be worth doing after Dunkel's half-year extension of his term in the post runs out this summer. The answer is impossible to predict while the plight of the Uruguay Round of talks on world trade liberalisation hangs in the balance – and with it the plight of a more powerful Multilateral Trade Organisation.

If the talks fail, Gatt and its secretariat could be marginalised, deterring any budding global deal-maker from considering the job, which in turn could hamper the institution's ability to strong-arm world leaders to commit their nations to further trade liberalisation.

No wonder the staff at Gatt's headquarters in Geneva are currently talking gloomily about vicious circles.

Family affair

■ The House of Warburg must be feeling pretty pleased with itself because of its role in the ICI demerger.

Leaving aside the accolades that will be heaped on a couple of S G Warburg directors, John Walker-Haworth and Rory Tapner, for earning the firm some very fat fees, Warburg can also point with pride to Goldman Sachs' Jon Aisbitt, the other financial adviser. He honed his early merchant banking skills at Warburg.

And don't forget John Mayo, finance director of Zeneca, the demerged drug company – who just happens to have been recruited from Warburg. If only ICI's Sir Denys Henderson had not decided to hog both chairmanships, it might have been possible to find a job for Warburg chairman Sir David Scholey. But then again that might have been just a little too incestuous.

'Isn't that Bobby Moore sitting on St Peter's shoulders?'

Speak up, Bill

■ Another small explosion behind the scenes at the new-look Labour party. Lord Bill Wedderburn, Britain's leading authority on trade union law, has resigned from Labour's front bench in the Lords on the eve of its debate on the trade union reform and employment rights bill.

Lord Wedderburn, the 65-year-old Cassel professor of commercial law at London University, has spent the past 14 years fighting Conservative industrial relations legislation in the Lords.

But he has grown increasingly frustrated at what he sees as the lack of enthusiasm inside his party at resisting those parts of the latest measure that curtail trade union rights.

Current Labour tactics consist of concentrating on opposing the abolition of wages councils and trying to improve the government's Bill on sex equality issues, but keeping away from proposed changes in more sensitive clauses that cover trade union organisation, such as the right of a worker to join any union of his choice.

Wedderburn can't stand this sort of pussy-footing any longer and intends to get on the record his own objections to the bill from the backbenches.

Aitch-oo

■ British Gas's directors were feeling the chill yesterday as they presented their annual results – which bore the scars of heavy regulation and last year's unhelpfully clement weather.

The atmosphere was hardly improved when the letter "h" fell off the British Gas sign which was hanging behind their heads and clanged on to the floor. "Times are hard and the squeeze is on," muttered the deadpan chief executive, Cedric Brown, through gritted teeth.

Near thing

■ Although the official winners of the Weekend FT's crossword competition on February 13 won't be announced until tomorrow, Observer is awarding a special advance prize to Jimmy Page of Richmond, Surrey.

When someone bet him he couldn't complete the puzzle, offering odds of a half-bottle of scotch to his stake of 50p, his first thought was that a magnum of champagne to 5p would have been a fairer reflection of the risk. But he had a go, failed, and paid up.

The reason why he merits a full bottle of malt is not so much that he fell short by only two of the 32 clues in the crossword, as that he is 97 years old.

Family spirit

■ The sins of the fathers would seem partly responsible for the jailing of a man in Nairobi for grabbing two bottles of whisky from a supermarket shelf, promptly swallowing the contents, and refusing to pay. His name is Charles Wanjohi Hiuhu which, in his native Kikuyu, means: "Charles of the quick drink."

FINANCIAL TIMES
Friday February 26 1993

Europe's economic woes will be high on the agenda of G7

By Peter Norman, Economics Editor, in London

OFFICIALLY, it will be a "get to know you" session, with no decisions or communiqué planned.

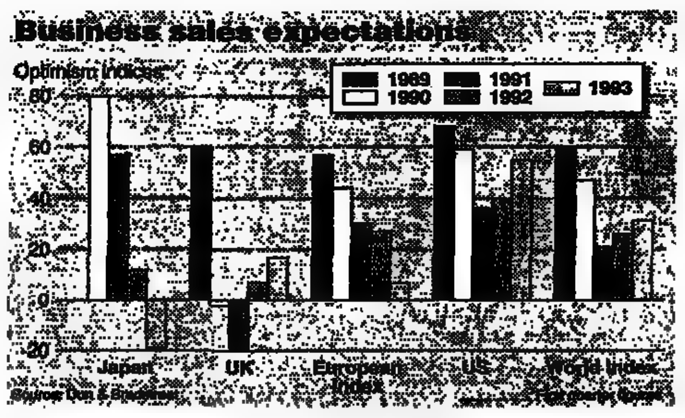
But tomorrow's meeting of the Group of Seven finance ministers and central bank governors in London could turn out to be one of the more important gatherings of the policymaking group – as well as giving Mr Lloyd Bentsen, the new US Treasury secretary, and Mr Yoshiro Hayashi, the recently appointed Japanese finance minister, a chance to meet G7 colleagues.

The ministers – from the US, Japan, Germany, France, Britain, Italy and Canada – will be meeting in extremely difficult circumstances.

- Europe's economy is causing particular concern, with output in Germany and France falling and threatening to pull the rest of the continent into recession.
- Japan is facing one of its most serious economic crises since the second world war and its trade surplus is growing.
- Protectionist pressures, encouraged by difficult economic conditions, are again emerging as a threat to world trade and welfare.
- Currencies are under renewed strain with the yen testing new highs against the dollar and sterling and the lira fluctuating around historic lows against the D-Mark.
- Of the G7 industrialised democracies, only the US has a politically strong administration.

Mr Brian Mulroney's resignation this week as Canadian prime minister has come hard on the heels of corruption scandals and a cabinet reshuffle in Italy. France's socialist government is facing defeat in next month's National Assembly elections. The centre-right coalition in Germany has so far failed to produce convincing answers to the economic and social problems caused by unification. Japan has a weak government.

The US and Britain are among the few bright spots in a bleak global economy, according to the latest quarterly worldwide survey of business optimism from Dun & Bradstreet, the business information group. The survey of 11,000 executives in 16 countries recorded a sharp increase in sales and profits expectations for the first quarter of this year among managers in Britain, while hopes in the US were steady at a relatively high level. However, in Europe as a whole sales expectations fell to their lowest level since 1989



Since sterling's exit from the European exchange rate mechanism last September, the British government of Mr John Major has been among the west's walking wounded, with the Conservative party divided over Europe and unable yet to declare an end to the longest recession since the second world war.

The US, by contrast, appears to have returned to growth with a charismatic young president and a programme to break years of budget gridlock in Washington. But in terms of international economic policy, President Bill Clinton's administration is very much an unknown quantity. Other G7 members will be looking to Mr Bentsen for clarification.

Mr Bentsen has said that he wants to revive the G7 as a forum for co-operation, putting a recent history of bickering behind it. But nobody has a clear idea of his plans while some of the new US administration's actions over trade and currency have unsettled America's partners.

The Japanese have come away from preparatory talks with the US feeling wrong-footed on currencies. US officials first gave private assurances that Washington was not seeking an increased value for the yen to combat Japan's growing trade surplus, only for Mr Bentsen to say last Friday he favoured a higher yen.

Efforts have since been made to play down Mr Bentsen's remarks. Indeed, the US Treasury line is to support Mr Hayashi and plans for fiscal stimulus in Japan. Mr Bentsen may simply have spoken out of turn.

Recent US moves against imports of steel and leisure vehicles and Mr Clinton's adverse comments about the European Airbus programme are difficult to reconcile with the president's pledge to put a "real effort" into completing the Uruguay Round of world trade talks.

The UK hosts of the meeting think that the US administration will support the multilateral trading system and that its trade grumbles concern "specifics".

It is clear, however, that the new US administration will put America first as part of its policy to revitalise the economy. Mr Bentsen pushed hard for tomorrow's meeting, suggesting that the US will seek support from its allies through action to boost growth and combat unemployment.

The German delegation can expect to be questioned over the Bundesbank's monetary stance. Mr Theo Waigel, the German finance minister, will seek to reassure his partners that the Bonn government is pressing ahead with its solidarity pact, with its provisions for curbing the budget deficit and controlling wages. There may even be discreet hints of an early cut in Bundesbank interest rates to ease the pressure of Germany's tight monetary policy on its partners in the ERM.

Mr Norman Lamont, Britain's chancellor of the exchequer, will point to the UK's expansionary fiscal policy and the substantial easing of monetary policy since September as evidence that Britain has "done its bit" for global growth. Japan may outline a new fiscal package.

But the atmosphere of the talks will be as important as the substantive discussions. Numerous economic problems are looming beyond the G7's boundaries, with near hyperinflation in Russia topping the list.

US president strongly restates his support for Russian leader's policies

Clinton to meet Yeltsin in April

By Our Foreign Staff

MR Bill Clinton and Mr Boris Yeltsin, the US and Russian presidents, will hold their first summit meeting on April 4, at a venue yet to be decided.

The announcement was made by Mr Warren Christopher, US secretary of state, and Mr Andrei Kozyrev, the Russian foreign minister, at a joint news conference which followed a three-hour meeting in Geneva yesterday.

Mr Clinton had hoped the meeting, which would be his first foreign trip since becoming president, could be held next month. But Mr Kozyrev said the agenda could be so extensive as to require considerable preparation.

The US president is also looking for ways of helping Russian reforms and engaging Moscow in global problems, including peace in former Yugoslavia.

He has also sought to dampen talk in Washington that Mr Yeltsin's own position was becoming increasingly parlous. A holdover Bush appointee at the State Department was this week removed from his post for saying the Russian president might not be a reliable partner because of his domestic political difficulties.

Mr Clinton rejected this and expressed full confidence in Mr Yeltsin, whom he met briefly last summer in Washington.

Mr Christopher said in Geneva Mr Clinton had asked him to underscore "his strong personal support for the reform policies of the Yeltsin administration".

For his part Mr Yeltsin will want to reassure Mr Clinton that Russia shares similar foreign policy objectives to the west although it would like more help with its economic reforms.

Mr Yeltsin is expected to press Mr Clinton for more financial help, as well as an increase in US government incentives to attract American companies to Russia.

Professor Jeffrey Sachs, the US economist who advises the Russian government, arrived in Moscow yesterday for discussions on his latest proposals on how the west can best underpin continuing reform efforts.

Yesterday Mr Yeltsin suffered a fresh humiliation in his battle with the chairman of the Russian parliament, Mr Ruslan Khasbulatov. Deputies refused to discuss Mr Yeltsin's proposals for a constitutional truce after Mr Khasbulatov told them the plans were designed to limit their powers.

He also managed to persuade parliament to put off until next Thursday a debate on whether to call a special congress to discuss the plans. This followed a presidential request for parliament to discuss the issue yesterday.

During Mr Christopher's meeting with Mr Kozyrev they discussed the Middle East, the conflict in ex-Yugoslavia, arms control, and US support for Russian economic reforms, all of which are likely to feature in the summit. Mr Kozyrev said they had also talked about co-operation in trade and investment, rescheduling Russia's foreign debt and Russian sales of conventional weapons "in full compliance with" international rules.

Major ends visit, Page 3

Bundesbank calls for pact

Continued from Page 1

growth was showing signs of the desired slowdown. Broad money, M3, fell by 2.3 per cent in January on a seasonally adjusted, annualised basis. Mr Tietmeyer said the figure had been distorted by special factors but measured on a six month basis, M3 had grown by 6.5 per cent.

He said the Bundesbank would continue to review the scope for further cuts – after the 0.25 cut in the discount rate and the 0.5 per cent cut in the Lombard rate to 8 and 9 per cent respectively earlier this month. He said that before taking action the Bundesbank would wait and see the effect of lowering minimum reserves and the introduction of Bulis, new short-term liquidity instruments, which take effect on Monday.

Speculation about further imminent cuts in rates has increased following the January M3 number and data released earlier this week showing that west German inflation had slowed to 4.2 per cent in February after 4.4 per cent last month.

Gonzalez says peseta will stay in the ERM

By Tom Burns in Madrid

PRIME MINISTER Felipe Gonzalez yesterday rejected calls for an early general election and insisted that Spain would remain within the European exchange rate mechanism.

Mr Gonzalez, who faces waning public support, divisions within his governing Socialist party and market pressure on the peseta, told Spanish business leaders it would be "irresponsible" to hold an election at present.

He wished to wait until the autumn, "by which time it is possible some of the uncertainties will have disappeared". The election must be held by November.

Speaking in Madrid to the CEOE, Spain's employers association, Mr Gonzalez said he hoped economic pressures would abate as his government made it clear that it would not swerve from its policy of tight monetary discipline within the exchange rate mechanism of the EMS.

"We will resolutely and permanently maintain our rigorous policy to contain the deficit and reduce inflation," he said. High domestic interest rates would not be eased until salary restraint brought down labour costs and boosted competitiveness. Mr Gonzalez said he would resist calls to inject economic growth artificially and had no intention of letting the peseta float.

The business leaders, currently facing overnight money market rates of 19 per cent, gave Mr Gonzalez a lukewarm reception.

The leader of the CEOE called the pro-union strike law sponsored in parliament by Mr Gonzalez's party "a declaration of war" against the business community. Earlier, the CEOE's chief economist had urged a major devaluation of the peseta, even at the expense of leaving the ERM.

For the first time in several days, the Bank of Spain reduced its intervention on the money markets as pressure on the peseta eased. Dealers said there was very little movement as the domestic system had been virtually drained of liquidity.

Currencies, Page 44

EC agrees on steel strategy

Continued from Page 1

difficult decisions about the future of its lossmaking east German producer, Ekostahl.

Mr Karel Van Miert, competition commissioner, said if steelmakers approached national governments for extra subsidies, they could trigger a futile race to subsidise national industries.

Ministers were firm on the need for protection from cheap non-EC imports, although they stepped back from the Commission's suggestion that it should negotiate three-year tariff or volume restrictions on imports from eastern and central Europe.

Instead, Hungary, Poland, the Czech republic and Slovakia will be asked to agree 1993-95 tariff-quotas on individual products which appeared to be undermining EC markets. The tariff-quotas would be subject to annual review. Quotas imposed this year on steel imported from the former Soviet Union would be extended for 1994 and 1995.

The Community has signed free-trade agreements with central and east European countries.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
				Boulogne	C	8	46	Frankfurt	C	-1	30	Majorca	F	11	52	Oporto	S	12	54	Tenerife	F	19	66
				Brussels	R	2	36	Geneva	S	0	32	Malaga	C	14	57	Oslo	F	1	34	Tokyo	S	8	46
				Budapest	F	-2	28	Gibraltar	R	14	57	Malta	C	10	50	Paris	R	3	37	Toronto †	C	-19	-2
Ajaccio	S	9	48	Buenos Aires	F	27	80	Glasgow	R	8	46	Manila	F	31	88	Prague	Sn	-3	27	Tunis	C	11	52
Algiers	F	12	54	Cairo	C	25	77	Helsinki	F	-3	27	Melbourne	S	26	79	Reykjavik	C	-5	23	Valencia	S	13	55
Amsterdam	R	3	37	Cape Town	S	23	73	Hong Kong	F	17	63	Mexico City	F	27	80	Rhodes	F	17	63	Venice	S	7	45
Athens	R	8	46	Caracas	F	28	82	Innsbruck	S	0	32	Miami †	F	18	64	Rio de Janeiro	C	31	88	Vienna	F	-1	30
Bahrain	S	19	66	Casablanca †	F	17	63	Inverness	S	8	46	Milan	S	8	46	Rome	S	9	48	Warsaw	C	0	32
Bangkok	F	33	91	Chicago †	S	-12	10	Islamabad	R	11	52	Montreal †	S	-23	-9	Salzburg	Sn	-2	28	Washington †	S	-8	18
Barcelona	S	9	48	Cologne	S	2	36	Istanbul	Sl	1	34	Moscow	S	-5	23	S Francisco †	C	8	46	Zurich	S	-2	28
Beijing	S	5	41	Copenhagen	Sn	0	32	Jakarta	R	31	88	Munich	F	-2	28	Seoul	S	3	37				
Beirut	S	18	64	Corfu	F	8	46	Johannesburg	F	22	72	Nairobi		—	—	Singapore	F	29	84				
Belfast	C	8	46	Dallas †	R	14	57	Lisbon	S	12	54	Naples	F	7	45	Stockholm	C	-2	28				
Belgrade	C	-1	30	Dublin	R	10	50	London	C	7	45	Nassau		—	—	Strasbourg	S	2	36				
Berlin	Sn	-1	30	Dubrovnik	S	7	45	Los Angeles †	C	9	48	New Delhi	F	17	63	Sydney	S	24	75				
Biarritz	S	5	41	Edinburgh	F	8	46	Luxembourg	F	-1	30	New York †	S	-8	18	Taipei	C	14	57				
Bombay	S	29	84	Faro	S	16	61	Madeira	C	16	61	Nice	S	10	50	Tangier	S	17	63				
Bordeaux	S	4	39	Florence	S	6	43	Madrid	S	7	45	Nicosia	S	18	64	Tel Aviv	S	23	73				

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

THE LEX COLUMN

An Imperial past

For an exercise designed to enhance shareholder value, ICI's demerger has got off to a poor start. Paying a portion of this year's dividend out of reserves only to ask for the cash back in June is hardly the most tax-efficient way to proceed. If the demerged chemicals side keeps its promise to maintain the pay-out this year, that may also come indirectly from the proceeds of Zeneca's rights issue. Shareholders might equally be forgiven for balking at the £75m cost of separation. These misdemeanours will only be forgiven if demerger reverses ICI's long-term decline relative to the market.

Yesterday's 6 per cent rise in the shares is therefore encouraging. The promise of a maintained dividend limits the downside in the near term: the yield is a match for the return on cash. But the act of demerger is unlikely to unlock much further value. Assuming a yield of perhaps 7 per cent for the degeared, demerged chemicals side results in a share price close to 500p. Given the market's suspicion of pharmaceuticals stocks and Zeneca's lacklustre performance, a yield over 5 per cent might be required to get the rights issue away. That suggests a valuation for the group not far from yesterday's closing price.

The real test is whether liberated management can transform the fortunes of the group. Shorn of cash-generative pharmaceuticals, ICI chemicals will be under particular pressure to eliminate losses and take out costs. Yesterday's £516m rationalisation provision is another step in that direction. But ICI still looks over-manned, judged against the best of the competition. If ICI's management does not deliver this time around, someone else may be tempted to step in and do the chemicals job for them. Split, the business looks much less imperial than when Hanson bought its stake.

FT-SE Index: 2828.7 (+11.7)

British Gas

Not many companies go to such lengths to highlight their weaknesses as British Gas. But then not many companies' fates depend so hugely on the outcome of a Monopolies and Mergers Commission inquiry. If British Gas's directors owned hair shirts, they would surely have worn them yesterday. Annual profits were hit by £320m of extremely prudent exceptional charges. By refraining from capitalising interest on £1bn of exploration expenditure, the company further depressed its bottom line.

At the operating level, the results contained few surprises. Ofgas's pricing regime is clearly squeezing the company, forcing it to cut costs to improve efficiency. The effects of more rigorous competition are also becoming apparent. For the moment at least, the weather remains a greater variable affecting profitability.

Gas's shares are supported by a dividend yield above 6 per cent. The MMC's conclusions could send them sharply either way. Having seen their shares climb 20 per cent since the referral, nervous investors may wish to switch into other utility stocks until the horizon clears. But the suspicion must be that the company's plight will ease. The MMC is due to report in April – probably just before the government launches its third sale of shares in British Telecommunications. That would be an embarrassing moment for the government come down hard on a privatised utility.

Shell

The patrician sang froid of the Shell board in London yesterday was in marked and unwelcome contrast to the ritual slaughter at Showa Shell in Tokyo. While there are some decent excuses for the failure to pick up the unauthorised forex dealings, a little public abasement goes a long way towards drawing the sting of tabloid criticism. It is also a bit thick for Shell to hide behind Showa Shell's associate status as an explanation for lack of control. Associate or not, such companies can bite back.

Still, at least Shell could find plenty of plusses to fill in the hole in its preliminary figures. The artificial assistance of tax credits and, ironically enough, foreign exchange movements, rather flatter the total. At the operational level, things remain tough. European chemicals losses are accelerating and the situation will not improve without substantial retrenchment. Refining margins remain low and production cannot offer much further help without a significant rise in the oil price.

Earnings in dollar terms are likely to fall this year, which explains the cautious 5 per cent final dividend increase at Transport and Trading. Indeed, the final dividend at Royal Dutch rose by a mere 2 per cent – presumably because continental investors take a longer view than those in the UK. Only the continued weakness of the pound will make things look better, come the 1993 sterling accounts.

Royal Insurance

Royal Insurance is obliged to make a virtue out of its capital constraint. Since growth prospects are limited, it aims to improve profitability by increased operating efficiency. It is thus less likely than better endowed competitors to succumb to excess in the upswing. Lloyds has shown that money can be made by shrinking and cutting costs in banking. But Royal is unlikely to acquire similar status in insurance. For one thing, its competitors are also bent on greater efficiency. For another, any battle for market share can ruin pricing for everybody. In those circumstances, a little spare capital is always a comfort to management.

Royal could hardly raise fresh equity now. Things might look different next year, given the improving trend on a range of fronts from reinsurance to estate agency. Its rebased dividend could then be increased modestly and still be well covered. The market might even welcome a rights issue next year on the albeit short-sighted grounds that enhanced growth prospects would narrow Royal's discount to the rest of the sector.

Those with strong nerves might be tempted to hold on until after Royal has managed to raise some capital and before the proceeds have been frittered away. That is a gamble, though, which assumes that mortgage indemnity losses will continue to fall in 1994. The opposite could happen if building societies step up repossessions as soon as house prices have risen to the point where the entire loss is covered by insurance.

FINANCIAL TIMES
COMPANIES & MARKETS

Friday February 26 1993

INSIDE

Gota Bank deficit climbs to SKr2.4bn

Gota Bank, the troubled Swedish bank under state control, saw its operating loss deepen to SKr2.4bn ($306m) from SKr1.9bn last year after credit losses more than tripled to SKr12.5bn. The loss would have been SKr12.9bn without financial insurance and state guarantees. Page 19

Amgen news hits biotech shares

US biotechnology stocks staggered under a second blow in three days after Amgen, a benchmark biotechnology company, warned that its first-quarter earnings would fall as much as 15 per cent below expectations. Page 21

Going gets tough for beef

World beef exports fell by 2 to 3 per cent in 1992 and a similar decline is likely in 1993, according to the General Agreement on Tariffs and Trade. EC beef exports could drop by 22 per cent this year, while recession and changing diets are clouding prospects for the market. Page 36

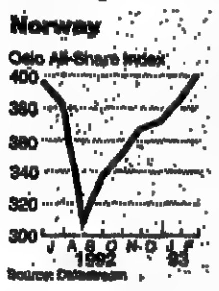
Daewoo rises 10-fold

Daewoo, South Korea's fourth largest conglomerate, reported a 10-fold increase in net profits for 1992, mainly because of improvements in its securities and shipbuilding operations. Page 22

Marriage silences sceptics

The successful marriage of a large, conservative insurance group and an aircraft leasing business two and a half years ago has silenced sceptics. American International Group announced a "record" year for International Lease Finance Corporation. Page 20

Norway awaits rate cuts



Lower interest rates are expected to fuel an advance in Norwegian share prices later this year, but the upswing will be restricted by sluggish EC export markets and limited US recovery. On Monday the Bank of Norway cut its key overnight lending rate and the All-Share index rose 5.17 to 406.92. Back Page

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Aachen Mch	855	+	25
Deutsche Bank	693	+	10
Lahmeyer	584	+	29
Linotype-Hell	471	+	7
Schmalbach Lub	349	+	7
Falls			
Rheinmetall Ber	242	–	8
NEW YORK ($)			
Rises			
Dell Computer	31½	+	1⅜
Eastman Kodak	52¼	+	1⅞
Falls			
Amgen	37	–	9¼
Chiron	47⅝	–	1⅝
Philip Morris	65¾	–	1⅛
Synergen	14½	–	½
PARIS (FFr)			
Rises			
Euro RSCG	499.5	+	15.5
Gaumont (Soc N)	502	+	23
Falls			
Bancaire Cie	477.9	–	13
Cred National	[illegible]	–	50
Eridania B-Say	930	–	14
Saint Gobain	532	–	13
TOKYO (Yen)			
Rises			
Chugai Ro	539	+	44
Sapporo Lion	1310	+	110
Showa Shell Sek	825	+	25
Sumitomo Elec	905	+	25
Tohoku Telecom	538	+	60
Falls			
Nihonkai Steam	219	–	31

New York prices at 12.30pm.

LONDON (Pence)			
Rises			
Aberdeen Pet	15¾	+	1¾
Avesco	50½	+	6
Dickie (J)	56	+	6
Euro Disney	1008	+	33
Gabacci	42	+	10
Gestetner	136	+	5
Hazlewood Fds	172	+	8
Honeysuckle	54	+	4
ICI	1152½	+	70½
Macro 4	633	+	23
Prov Financial	794	+	20
Ramco Oil	134	+	6
Sim Business	84	+	5
Tepnel Diagn	227	+	12
Usher (F)	90	+	10
Wescol	13	+	5
Falls			
AMEC	87	–	8
Colorgen	27	–	10
Gardner (DC)	21	–	5
Hartstone	223	–	27
High-Point	23	–	3
Micro Focus	2515	–	120
Tottenham Hspr	101	–	12
Unigate	343	–	11

GM fund for laid-off workers runs out of cash

By Martin Dickson in New York

UP TO 11,000 blue-collar workers at General Motors are expected to be indefinitely laid off next week as a fund, set up by the troubled car company to keep unneeded workers on full pay, runs out of money.

The development could cause friction between GM and the United Auto Workers union at a time when the company is seeking union co-operation in its massive restructuring programme and before crucial talks next autumn on a new three-year labour contract.

The job guarantee programme was established in 1990 under the three-year labour agreement expiring this year. It created a $1.7bn fund for a Job Bank, which allowed UAW workers laid off for at least 36 weeks to be called back to work indefinitely at full pay, even if there was no particular job for them to carry out.

GM has begun notifying workers involved in the scheme that it is expected to run out of money next week.

About 20,000 workers are enrolled in the programme, but some 9,000 of them are expected to take early retirement under a programme negotiated by GM and the UAW late last year.

According to GM, those indefinitely laid off will continue to receive for 26 weeks some 95 per cent of their pay, thanks to state unemployment benefits and money from the company's supplemental unemployment benefits scheme. The GM unemployment scheme, established under the 1990 UAW pact with $1.65bn of funds, is expected to last the life of the current contract.

The early retirement offer, which is due to close at the start of March, is part of GM's effort to shrink its hourly-paid workforce by about 13 per cent, from 288,000 to 250,000, as it cuts its size to reflect its reduced share of the US car market. It is also planning to close 21 plants during the next few years.

The UAW's agreement to the retirement programme last December was taken as a sign of improving relations between the union and the company after a series of autumn strikes, several of which appeared to be UAW warning shots over the company's restructuring plans.

Equitable sharply reduces deficit to $128m from $898m

By Nikki Tait in New York

THE Equitable, the large but troubled US insurance group in which France's Axa holds a 49 per cent stake, yesterday reported an after-tax loss of $98.9m in the final three months of 1992.

This was a sharp reduction on the $246.9m deficit registered in the same period of 1991.

The Equitable, which recently completed a lengthy "demutualisation" process that turned the company into a shareholder-owned company, said that if results were confined to "continuing operations" the 1991 final quarter deficit stood at $161.3m, with the 1992 figure remaining at $98.9m.

The fourth-quarter results mean that The Equitable is posting a $128.6m deficit for the year after tax, compared with an $898m loss in 1991.

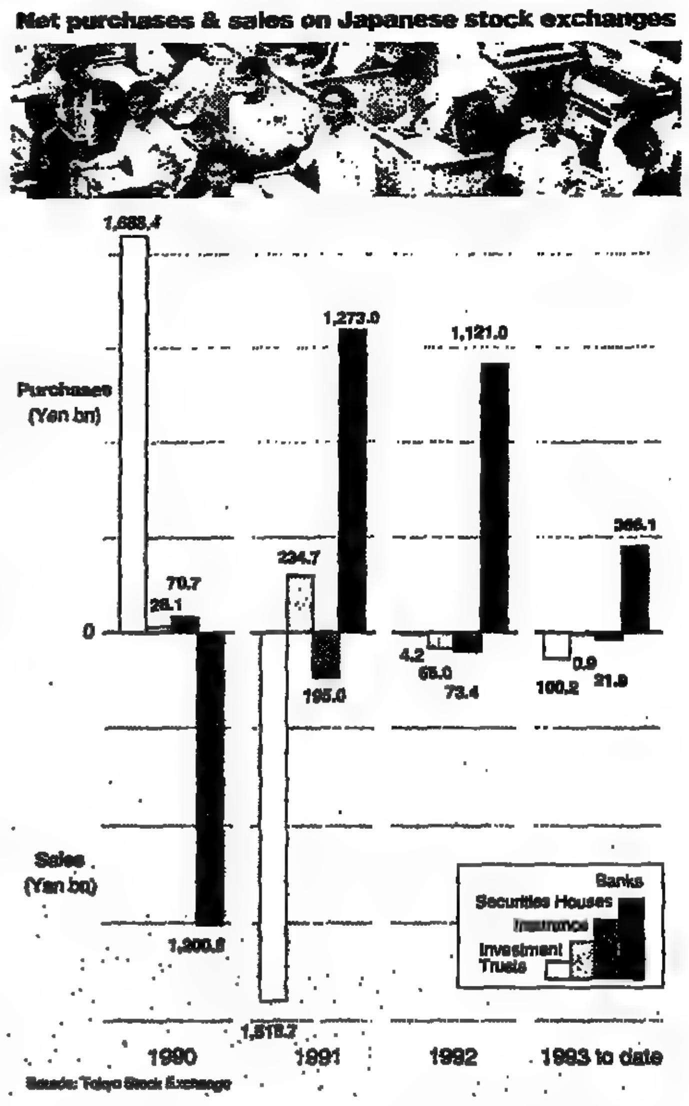
However, both these figures are muddied by special items: the 1992 figure comes after a $101.3m extraordinary charge to cover demutualisation expenses, and the 1991 result after a $28.3m extraordinary item and a $561.9m loss from discontinued operations. The insurer said that the loss from continuing operations, and before extraordinary charges, improved from a $307.8m deficit in 1991, to a $32.2m loss last year.

Within the core insurance division, The Equitable reported an annual after-tax loss of $7.5m, against a $44.8m deficit in 1991. The 1992 figure excludes a loss on investment transactions of $22.7m and $15.6m of restructuring charges.

However, investment services operations – which include the Donaldson, Lufkin & Jenrette brokerage business and Alliance Capital fund management arm – turned in after-tax profits of $192.5m, up from $111.6m.

Emiko Terazono and **Robert Thomson** report on how Japan is in danger of throwing away a decade's progress in market reforms

Tokyo wrestles to shore up stock prices



On the sixth floor of an otherwise undistinguished Tokyo office building, the electronic boards of a large securities dealing room flicker on the wall as white-shirted men hunch over terminals. The setting is the ministry of posts, part of the government rescue team attempting to prop up stock prices. Stock prices have fallen 56 per cent during the past three years.

There are fears that companies, financial and non-financial, will offload stocks in coming weeks, bolstering their own accounts, but further undermining the market. Mr Gaishi Hiraiwa, chairman of the Federation of Economic Organisations (Keidanren), has expressed "serious concern" about any sell-off and the consequent "price plunge".

The government has urged banks and life assurers not to sell shares. The Bank of Japan has cut official interest rates, in theory making stock investment more attractive. Disclosure rules have been relaxed by the finance ministry, which expects financial institutions will keep their side of the no-selling bargain.

The campaign is however having a serious side-effect in the financial markets. After a decade of slow and selective reforms to make markets more open, financial officials are returning to wink-and-nod tactics. They are reviving the cosy relationships severed during the stock industry scandals of the past two years.

The four biggest brokers – Nomura Securities, Daiwa Securities, Nikko Securities and Yamaichi Securities – are quick to remind ministry officials of the industry's successful Black Monday salvage operation in October 1987, when the Nikkei's fall was limited by concerted buying.

Now the aim is to keep the Nikkei average at about the 17,000 level until the close of the financial year next month. The longer-term goal is to hold prices steady until there is a recovery in investor demand for stocks. That strategy is supported by a range of Japanese institutions now under pressure:

- Banks. The lower the Nikkei, the lower their capital adequacy ratios, which must be above 8 per cent at end-March to meet international standards. The banks also plan to write off some of the their non-performing property loans and are keen to limit write-offs on stock portfolios.
- Life assurers. They rely on unrealised gains on their stock portfolios to cover other losses, including heavy losses on foreign bond investments. Stock profits are needed to make up the difference between the average dividend, about 6.5 per cent, and the return on the assurers' total investments, which has fallen in tandem with official interest rates.
- Brokers. They must deal with losses on their in-house stock portfolios, and they welcome government attempts to support prices, as investors may return to the market if given the impression that the downside risk is limited.
- Industrial companies. Big stock investors during the "bubble era" of the late 1980s. Each time the Nikkei falls, they are further weakened. Their unrealised stock gains, a measure of corporate strength in Japan, are depleted, and write-offs are rising.

Each sector is waiting for the others to start buying stocks. Most potential investors feel prices will continue to fall, and dividends are no incentive to buy; the average yield on Nikkei stocks last year was 0.89 per cent. Japanese brokers were big sellers last year.

The finance ministry has "advised" banks, life assurers, and brokers not to dump stocks in an attempt to realise profits this year. The ministry will bend accounting rules and allow assurers to book unrealised gains.

The ministry is making other favourable rule changes. It has relaxed controls on employee share ownership. The use of companies' funds to buy their own shares is now being debated.

These changes will not be enough if stock prices spiral downward. Last August, the Nikkei hit 14,309.41, its lowest level in six years, prompting the government to announce that an extra Y1,120bn in public funds would be available for stock investment.

It also announced an emergency public spending package. Another may be introduced this year, but the use of public and postal funds is controversial. Japanese who deposit money at the local post office do so on the understanding that it will be used conservatively.

Japanese brokers, ministry officials, and the ruling Liberal Democratic Party are looking to history for examples of successful salvage operations. The government accepts that there are limits on the direct use of the public's funds for stock purchases.

The most obvious model for a market rescue is the operation of the early and mid-1960s, when investment trusts, the Japanese version of mutual funds, were overwhelmed by loss-making stocks. Prices in early 1964 were 25 per cent lower than three years earlier, demand had virtually disappeared and fears of broker collapse were rife.

The government established the Nihon Kyodo Shoken (Japan Securities Co-operative) in 1964, which bought shares with funds received indirectly from the Bank of Japan. The buying operation was unsuccessful, prompting the government to back a brokers-run Nihon Shoken Kumiai (Japan Securities Association), which purchased stocks directly from the ailing investment trusts and was regarded as a success.

The crucial between the two organisations was that the former attempted to buy against a tide of selling, while the latter attempted to stop the selling by accepting unwanted shares from the investment trusts.

Another lesson was the importance of collective action. Commercial banks contributed to the rescue by feeding money into the market. There are clear signs that the collective mentality is returning. The securities industries scandals of the past three years were supposed to end the exclusive relationships among the finance ministry, the brokerages and the banks. Now severe market conditions have begun to draw old players together again.

Instead of letting prices fall to a level at which buying will resume, the government and the financial industry are intent on defying gravity. The financial system is reverting to old habits, becoming more opaque, and increasingly serving institutions rather than investors.

SKF scraps dividend as falling demand pushes loss to SKr1.8bn

By Christopher Brown-Humes in Stockholm

SKF, the world's leading roller bearing maker, has scrapped its dividend after slumping to a SKr1.8bn ($237m) loss in 1992.

The result was in line with the group's December forecast and reflects the impact of depressed markets, restructuring and heavy losses within Ovako Steel. In 1991, when the group paid a SKr4.25 dividend, its loss was SKr221m. This is the first time the group has not paid a dividend since 1923.

Sales rose to SKr26.65bn from SKr26.3bn, thanks to the consolidation of Ovako Steel which had previously been reported as an associate company. Excluding Ovako, sales were 7 per cent lower at SKr24.37bn.

The group said demand in the European market, which accounts for 60 per cent of its sales, declined steadily, and the trend accelerated towards the end of the year. The group has been particularly badly affected by the drop in European car production and Germany has become a difficult market. By contrast, conditions improved in the US and the group increased its sales and earnings there for the second consecutive year.

The group expects to make another loss in 1993 because of continuing poor conditions in its main European markets. "Last year we finished weakly, and this year we have started weakly," said a spokesman.

The group's 1992 result includes a SKr1.1bn provision to cover further restructuring in 1993 and 1994 when the group expects to shed an additional 5,000 jobs, bringing staff levels down to 42,000 by 1995.

The group's core business, rolling bearings and seals, saw 1992 sales fall to SKr22.69bn from SKr24.35bn, while the loss after financial items increased to SKr1.26bn from SKr135m.

Its second main business, Ovako Steel, reported a SKr442m loss on a drop in European special steel demand. It is expected to remain in the red this year.

SKF has been increasing its focus on its rolling bearings and seals operations, leading to the sale of its tools business, CTT Tools, to Sandvik AB from the start of this year. Last year the tools business made a SKr117m loss on sales of SKr1.73bn.

The loss per share before extraordinary items was SKr13.20, compared with SKr10.40 a year ago.

Shell lifts profits 8% to £3bn

By Deborah Hargreaves in London

THE ROYAL Dutch/Shell group, the multinational oil company, saw profits rise 8 per cent last year in spite of lower oil prices and the first annual loss in its chemicals business for a decade.

A rise in oil production accompanied by cost-cutting and an increase from exchange rate gains pushed Shell's profit up to £3.12bn ($4.46bn) from £2.89bn on a replacement cost basis which strips out gains and losses from holding stocks. Sir Peter Holmes, chairman of Shell Transport, the company's UK arm, said 1992 had been a difficult year. "There was little respite on prices and no respite for chemicals, but the core business did well. Now we've got to move on and do better on the chemicals side."

The company made a provision of £131m to cover its share of the Y125bn (£744m) of potential losses on currency speculation at its Japanese associate, Showa Shell Sekiyu, and said it would make an additional provision of £65m in the first quarter.

Sir Peter said: "I'm staggered by the scale of the losses and staggered it could happen at all." Top managers at Showa Shell resigned yesterday as they accepted the blame for the unauthorised currency dealings.

However, the group as a whole benefited from favourable exchange rate movements in 1992 to the tune of about £400m and the company's results included a special credit of £425m from changes in pension provisions in the US.

Sir Peter said the outlook for chemicals was better this year and the company planned substantial investments in all of its businesses during the next five years. Capital expenditure is planned to reach £7bn this year, up from £6bn last year, which showed a 9 per cent decline from the year before.

He said the chemicals division is planning to cut about 10 per cent of its jobs, but that investment will be made to increase the division's geographical spread.

"These figures are quite good, but a lot of the gain comes from currency movements and that is reflected in the company's extreme caution on the dividend," said Mr Nick Antill, analyst at Hoare Govett, the UK stockbrokers. Shell increased its payout for the year by 4.8 per cent to 21.9p a share.

Lex, Page 16; Details, Page 24; Top two at Showa quit, Page 22

THE ICI DEMERGER

Exceptionals leave ICI £384m in red

BATTERED BY the long recession and reorganisation costs, Imperial Chemical Industries, yesterday reported a £384m pre-tax loss for the year to December 31, following exceptional charges of £949m.

Pre-tax profits before exceptional items fell 28 per cent from £789m to £565m as demand and prices softened for many products.

The results were prepared according to the new FRS3 accounting standard.

The pre-tax profits, which compare with £843m in 1991, were achieved on a turnover of £12.1bn (£12.5bn). The board maintained the full-year dividend at 55p with a second interim of 34p, although it was paid from reserves.

The exceptional charge was to cover restructuring activities, including disposals, closures, write-downs of certain asset values, a re-assessment of environmental liabilities and demerger costs.

Rationalisation costs were £516m, including £313m for employee-related costs, principally severance, and £160m for asset write downs and provisions.

A further provision of £148m was made for environmental costs, particularly for cleaning up soil and groundwater in the US. Loss on sale and closure of operations provisions were £191m. Reorganisation costs for the demerger, including professional fees, product registration and labelling costs, amounted to £75m.

Lower selling prices and disposals accounted respectively for 1 per cent and 3 per cent of the fall in sales. Favourable exchange rates increased sales by 1 per cent. UK turnover fell £350m, equivalent to 14 per cent of sales.

Sir Denys Henderson, chairman said the results reflected difficult trading conditions throughout 1992. He added that the recession in the UK, which had now lasted three years, had been one of the deepest since the 1930s.

"Signs of recovery from recession are patchy, but lower interest rates, a more competitive pound, low UK inflation and some indications of the US markets picking up plus the major restructuring efforts should ensure a better year ahead for ICI and Zeneca."

On a pro forma basis reflecting the pending split, trading profits before exceptional items at the newly-formed Zeneca, which includes ICI's drugs, agrochemicals and seeds, and specialities businesses, fell from £682m to £587m. Sales increased from £3.93bn to £3.98bn.

Pharmaceuticals trading profits fell from £536m to £488m on turnover of £1.61bn (£1.55bn). Sir Denys said this was mainly due to the effects of generic competition against Tenormin, Zeneca's heart drug, the US patents for which recently expired. Sales had fallen by between 40 and 50 per cent instead of the expected 30 to 35 per cent.

Agrochemicals and seeds trading profits dropped from £145m to £85m on turnover of £1.29bn (£1.32bn). The results were affected by intense price competition in the US and reduced volumes in Europe. Sales in eastern Europe had fallen about 30 per cent last year, while the reform of the common agricultural policy had also had an impact.

Mr David Barnes, Zeneca chief executive, warned the worst of the impact of the CAP reforms were yet to come, with a possible 3 to 5 per cent fall in the European market this year.

Specialities operating profits fell from £29m to £26m on sales of £936m (£916m). Mr Barnes said the colours business had had a difficult year.

Zeneca's results included losses of £12m (loss of £28m) on sales of £148m (£142m) under the heading of trading and miscellaneous.

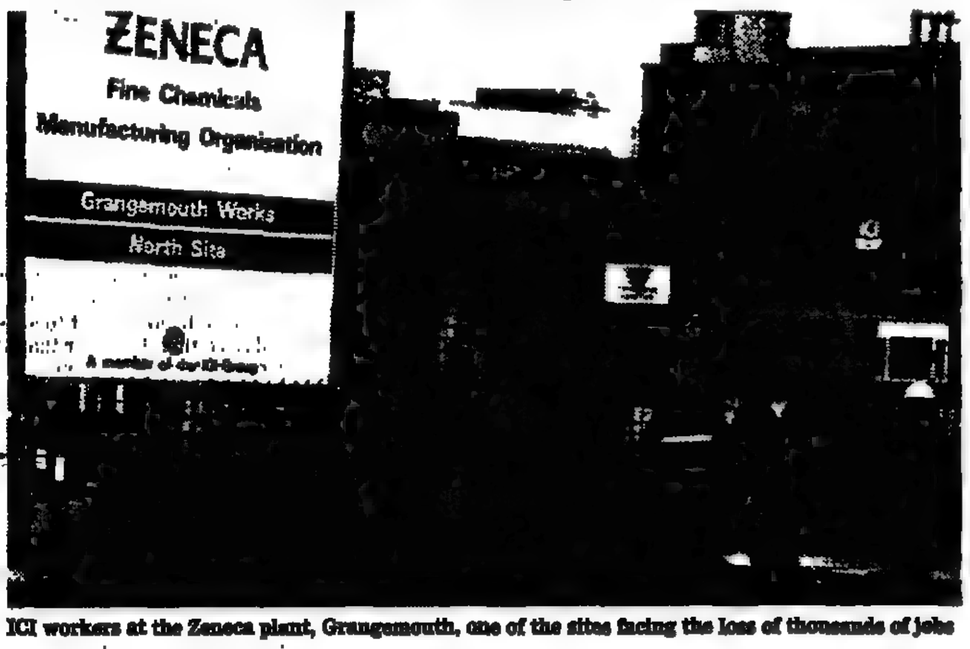
The new ICI's trading profits fell from £324m to £148m on turnover fell from £9.43bn to £8.89bn.

A breakdown of trading profits showed the paints division fell from £119m to £115m on turnover unchanged at £1.58bn, while explosives rose to £59m (£56m) on £549m (£558m), and regional businesses were £8m (£18m) on £1.35bn (£1.39bn). However, there were losses at materials of £25m (£13m) on £1.86bn (£2.01bn) and industrial chemicals of £17m (£144m profits) on £3.55bn (£3.88bn).

Earnings per share before exceptional items fell from 69.2p to 48.8p, or losses of 79.9p (76.4p earnings) after exceptionals.

Debt rose to £2.3bn, for gearing of 53.5 per cent, from £1.58bn a year earlier. Sir Denys blamed the recession, slower than expected asset disposals and the impact of the exceptional charge.

Paul Abrahams



ICI workers at the Zeneca plant, Grangemouth, one of the sites facing the loss of thousands of jobs

Shocked unions to press for redundancies to be voluntary

THE LOSS of 9,000 jobs at ICI by 1995 as part of the demerger plans came as a shock to trade unions yesterday. Half of the cuts will be coming in the British plants.

"This is a black day in the history of ICI," said Mr Fred Higgs, chief union negotiator with the company. "It will never be the same again."

The manpower reductions in the UK plants amount to about 10 per cent of the 44,000-strong labour force.

Mr Higgs added that the trade unions intended to "do everything they could to minimise the likely effect of ICI's demerger on the workforce".

Mr Paul Talbot, national officer for the chemical industry in MSF, the white-collar union, said: "How can ICI hope to have an industrial future when they are throwing thousands of highly skilled workers on to the dole?"

The company announced that 7,000 of the reductions in its global manpower of 114,000 will be in ICI and a further 2,000 in Zeneca.

That follows a cut of 21,000 at the combined group during the past two years and comes on top of a 6,000 reduction expected in ICI's payroll this summer when the sale of its nylon fibre business to Du Pont, the US company, is expected to go ahead.

The cutback in employment will not just involve actual jobs losses.

About 1,000 employees will find themselves working for other companies because of divestments.

However, the unions will seek assurances from management that if there are to be redundancies they must be on a voluntary basis.

"We have co-operated for five years with ICI to help it avoid a hostile takeover bid," said Mr Higgs. "The unions are not pleased, to put it mildly, at what the company has announced today."

However, he ruled out any suggestion that the trade unions at ICI would call on their members for industrial action. "Striking would just make the situation worse," he said.

The unions intend to press the company to invest more in the UK during the next few years and to diversify its product range.

They remain extremely worried about the likely effects of the proposed demerger, however.

Last July, when ICI announced its intention to split the company in two, Mr Higgs denounced the move as "a betrayal of the workforce" that demonstrated "a total lack of commitment by ICI's board to maintain the company as Britain's largest manufacturing concern".

"We still do not think the demerger is in the best interests of our members," he said yesterday.

"The company is going to become much more vulnerable to a hostile takeover bid when it is no longer a single entity."

Two-thirds of the UK workforce will be in the new ICI which is badly affected by depressed chemical markets.

Robert Taylor

Simple cash raising finds support

THE DECISION to choose a "plain vanilla" rights issue from Zeneca, to coincide with the demerger in early June, may have been the price it had to pay for investor support for the plan.

ICI shares rose sharply yesterday although the size of the issue at about £1.3bn is higher than the stock market had expected.

Sir Denys Henderson, chairman, has had extensive discussions with institutional shareholders in recent weeks and said yesterday that investors were in favour of the deal.

One banker involved said that shareholders had indicated that they would support the deal if their pre-emption rights were maintained.

An underwritten deal – underwriting will take place in mid-May before the shareholders meet to vote on the demerger – will also give ICI the desired certainty of finance for the split.

That will ensure that both of the demerged businesses are well-capitalised, with relatively low gearing. Both companies will be cash positive, ICI said, and able to fund growth and capital expenditure.

Even though the issue will be a standard rights, Zeneca wants the demerger and the fund-raising to give it an opportunity to broaden its investor base.

It is keen to find new shareholders outside the UK. At present more than 90 per cent of ICI's shares are held in the UK, and only 5 per cent in the US. Nearly half of Zeneca's business is in the US.

Mr John Mayo, the former Warburg corporate financier who is the new finance director of Zeneca, said yesterday: "We are examining all the options to make sure Zeneca gets launched on an international basis."

He said Zeneca was looking at transaction structures which would "fully honour pre-emption rights" but give the opportunity for an international road show and one-to-one presentations to potential investors. These would take Zeneca's team to the US and continental Europe.

"We will make sure that should foreign investors wish to invest during the rights period they can come and buy in the secondary market," Mr Mayo said. These investors could either buy the rights shares in nil-paid form or buy the shares issued through the demerger.

Bankers involved expect that there will be loose shares available and are looking at ways, for example, to match demand in one country with supply in another. Investment bankers are being invited to put forward proposals.

As part of the process Zeneca's shares will be registered with the Securities and Exchange Commission in the US and an American depositary receipt programme will be put in place.

Mr Mayo said that the 27.5p net dividend promised on Zeneca's shares would be paid on the rights shares as well. That is expected to give Zeneca a yield above that of similar companies, which, bankers said, could support the shares until investors could see more clearly the new products in the research pipeline.

Financial advisers to the demerger and issue will be SG Warburg, Goldman Sachs International and de Zoete & Bevan.

Maggie Urry

Focus will be on core businesses

THE ICI left behind after spinning off Zeneca is the world's sixth largest chemical group, with sales of more than £8m a year. It still manufactures a large range of products: from bulk petrochemicals to high-performance plastic films, from chlorine and caustic soda to paint and explosives.

However, the range of activities is likely to be much narrower by 2000. Mr Ronnie Hampel, chief executive of the new ICI, says the company "is going to focus during the 1990s on areas where we can be successful globally".

That will mean continuing the process, started two years ago, of selling or closing down activities in which ICI is not one of the world's top three companies. The UK-based petrochemical (olefins and aromatics) and chlor-alkali (chlorine and caustic soda) businesses are high on the disposals list.

"The decision taken in the early 1980s to restrict petrochemicals and chlor-alkali to Europe turned out to be wrong," says Mr Hampel. "The error of judgment was to believe that the industry could be operated on a regional rather than a global basis."

He believes that the world petrochemicals industry is about to undergo large-scale restructuring, which will end up with about five global groups manufacturing on an integrated basis from oil and gas feedstocks to finished plastics. ICI is not going to make the investment required to be one of them.

Another error of the 1980s, as ICI moved away from bulk commodity chemicals, was to expand into too wide a range of higher value-added products. That too will be corrected, Mr Hampel says. "Some businesses in the portfolio will not survive. Those that are not global or not making an adequate return on capital must go."

The global businesses on which ICI will be relying for growth to make up for cuts elsewhere include:

- Paints. ICI is the world's largest paints manufacturer and, with its Dulux and Glidden brands, is particularly strong in decorative finishes.
- Explosives. The 1990 acquisition of Atlas in the US made ICI the undisputed global leader in explosives. The products are used mainly in mining and quarrying, although ICI hopes that safety airbags for cars will represent a fast-growing new market: a mini-explosion of sodium azide fills the bag with gas in the event of a crash.
- Chlorofluorocarbon substitutes. Although ICI is losing revenue through the global phase-out of CFCs to protect the ozone layer, it is investing heavily in ozone-friendly hydrofluorocarbons to replace them. The leading substitute HFC134a will be manufactured in the UK, US and Japan.
- Specialised plastics. By swapping ICI Fibres for Du Pont's acrylics division, ICI became the world's leading producer of acrylics. It is also strong in polyurethane foams and polyester films.

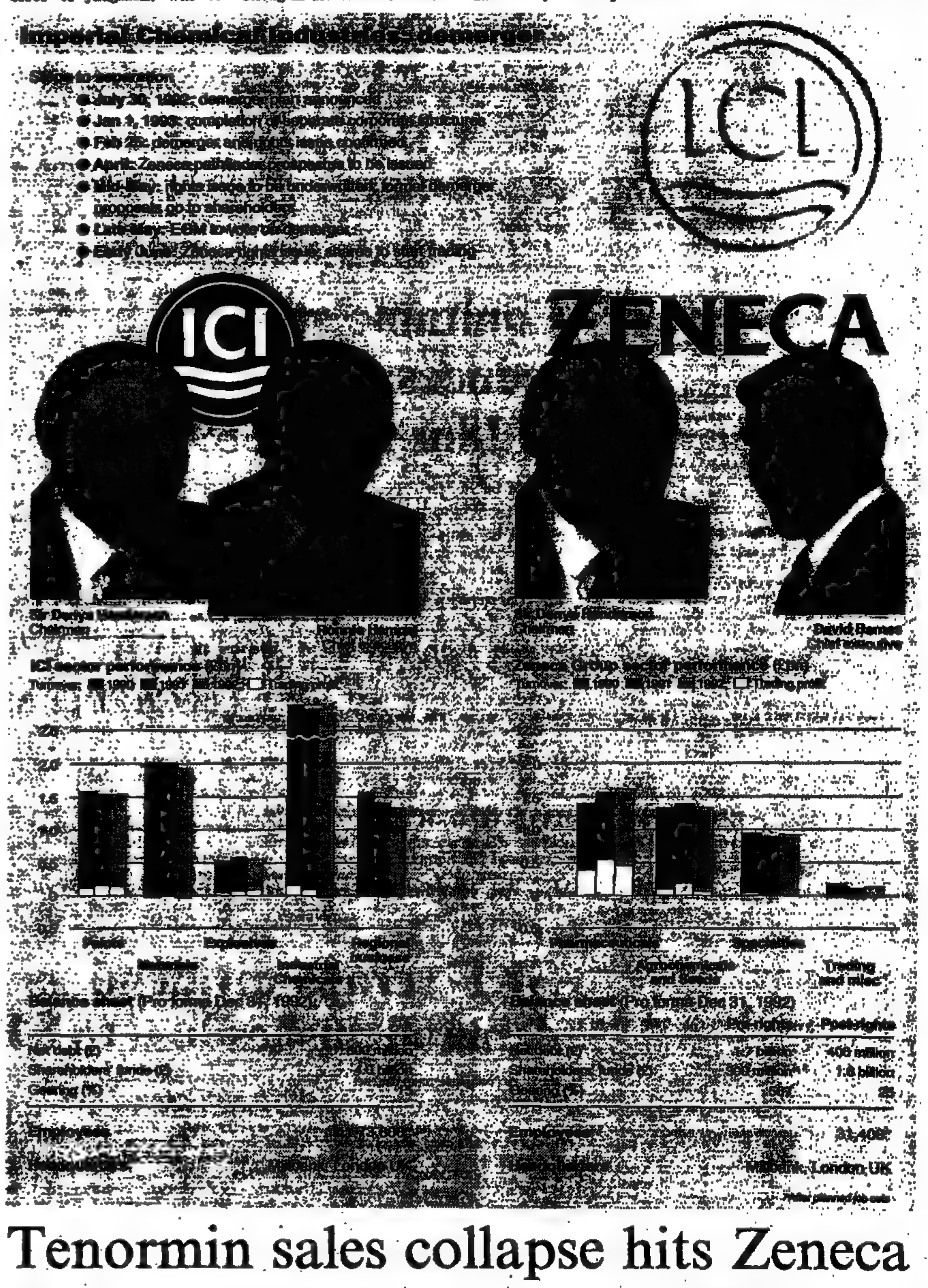
The paints and explosives businesses have traded steadily through the recession. During the three years from 1990 to 1992, sales have held at about £1.6bn a year for paints and £550m for explosives, while profits were £115m for paints and £55m for explosives. The outlook for both divisions is for slow, steady growth in turnover and profits.

In contrast, the remaining parts of ICI – materials and industrial chemicals – have suffered a decline in sales and profits. They made a trading loss of £42m on £5.4bn turnover in 1992. There is an opportunity for a sharp revival in profits as the world economy recovers, but analysts see no prospects of the exceptional returns in the late 1980s.

Mr Hampel says ICI will inevitably remain an essentially cyclical company, but his long-term aim is to achieve on average a 20 per cent return on capital employed.

- The other executive directors of ICI will be Mr Chris Hampson, Mr Rob Margetts and Mr Colin Short. Non-executives will be Sir Anthony Pilkington, Miss Ellen Schneider-Lenné and Mr Paul Volcker.

Clive Cookson
Paul Abrahams



Tenormin sales collapse hits Zeneca

ZENECA, ICI's newly formed bioscience company, will comprise the group's drugs, agrochemicals and seeds, and speciality chemicals divisions.

With an annual turnover of nearly £4bn, Zeneca's products range from beta-blockers to dyes, genetically engineered tomatoes and herbicides to anti-cancer drugs. It will be about the 15th largest bioscience group in the world.

Mr David Barnes, Zeneca's chief executive, faces a considerable challenge putting the company back on the rails. Last year its operating profits fell from £682m to £587m. All three divisions encountered difficulties.

The main short-term problem was in drugs. American sales of Tenormin, ICI's heart drug and once the world's fourth biggest-selling medicine with a turnover of $1.18bn, collapsed by as much as 50 per cent last year. The fall followed the expiry of Tenormin's US patents.

Mr Barnes says the group had expected a fall in Tenormin sales of between 30 and 35 per cent but the drug proved an irresistible target for generic manufacturers.

"It was the single largest-selling product to come off patent since the generic industry was set up," he says. He expects Tenormin's US sales to stabilise at between 25 and 30 per cent of original turnover.

Tenormin's collapse affected not only sales but also profits, admits Mr Barnes. Tenormin was a high-margin product. Newer products offset the fall in Tenormin sales – pharmaceutical turnover was up from £1.55bn to £1.61bn – but operating profits fell from £536m to £488m.

Sales of Zestril, a newer heart drug, grew 30 per cent, while Diprivan, an anaesthetic, and Zoladex, a cancer treatment, both rose by 50 per cent last year. These three products represent 30 per cent of Zeneca's drugs sales.

Much of the future of Zeneca depends on new drugs in research and development. Mr Barnes is dismissive of those who argue the pipeline is thin.

"The quality of the pipeline of new products is better than at any time in the last 35 years," he says.

He points to Merrem, an antibiotic, which was filed for licensing last December, Casodex, a treatment for prostate cancer, and Accolate, a promising asthma treatment, will be filed next year.

Mr Barnes says the group is moving from its core of anti-cancer and heart drugs into new therapeutic areas such as asthma, in which the group has less marketing experience.

"We will look at all forms of strategic alliance," he says. These will include cross-licensing, co-marketing and even acquisition. But Zeneca is not racing out to buy another company.

Nearly all of Zeneca's earnings growth – for this year at least – will come from pharmaceuticals. The main impact of Tenormin's US decline has probably come to an end.

Meanwhile, the new products will continue to grow. The group will also benefit from currency changes – about 40 per cent of drug sales are in the US.

While the drugs division has been suffering, so, too, have the agrochemicals and seeds operations. Trading profits fell from £145m to £85m last year on turnover down from £1.32bn to £1.29bn. The decline would have been worse but for rigorous cost-containment.

Pricing pressure and a cold wet spring in the US dented turnover, as did a 30 per cent plunge in sales to the East European market.

Zeneca also suffered from a decline of between 3 and 5 per cent last year in the west European agrochemicals market after the announcement of the reforms of the common agricultural policy. Mr Barnes said there would be a continuing decline in Europe this year, perhaps of between 1 and 2 per cent.

Meanwhile, specialities have also been hit by the recession. Colours, which represent about 30 per cent of the division's £936bn turnover, have been suffering particularly, since their performance is tied to the textile industry.

Mr Barnes accepts that the division's profits of £26m on such a large turnover is unacceptable. However, he insists the colours operations are not for sale.

For the next couple of years, any improvement in Zeneca's earnings is likely to come from renewed growth in pharmaceuticals, currency benefits and cost-cutting.

Specialities should benefit from an upturn in the economic cycle, when it happens. But the problems at the agrochemicals operations are more related to structural problems within the industry and are unlikely to be resolved quickly.

- The other executive directors at Zeneca will be Dr Peter Doyle, Mr John Mayo, Mr Alan Pink and Mr Tony Rodgers. The non-executive directors will be Lord Chilver, Sir Richard Greenbury, Miss Gill Lewis, Sir Jeremy Morse and Mr Tom Wyman.

Paul Abrahams
Clive Cookson

£1.3bn rights issue cools investors' enthusiasm for bioscience demerger

INSTITUTIONAL investors greeted ICI's plan to demerge its bioscience business with resignation but no great enthusiasm yesterday. Several said they failed to see strong investment attractions in either company.

There was particular concern that, in ending its year with higher-than-expected debt of £2.3bn, ICI would have to accompany the Zeneca demerger with a rights issue as large as £1.3bn.

"The world is a lot different now from nine months ago, certainly in terms of the valuation of pharmaceuticals stocks," said one large institutional investor. "And the trading position for bulk chemicals has not got any worse but it certainly has not got any better. The amount they are seeking to raise smacks slightly of robbing Peter to pay Paul, in that they have committed to pay a level of dividend on the difficult bit - the bulk chemical side - of the business."

Shareholders were universally unimpressed by the 71p rise to £11.53½p in the share price yesterday after the demerger news. Not only did the rise follow a run of recent falls, but institutions said the stock had attracted heavy interest from US investors attracted by the yield of more than 7 per cent. Once the stock went ex-dividend, this interest might be reversed, they said.

Institutions appeared to need convincing that the alchemy of demerger – whereby the value of the sum of the demerged parts is greater than the whole – would work. "We are not saying we are against demerger in principle nor are we saying that the pharmaceuticals division needs to be an integrated part of ICI," one invester said. "But we are struggling to see whether two and two does in reality make four and half."

Some shareholders were also surprised at ICI's choice of raising finance through the demerged Zeneca rather than through ICI.

Given the marked underperformance of the pharmaceuticals sector since ICI announced it would demerge last year, Zeneca may be rated lower than the old ICI, which has recovery potential.

There is also a large expectation that ICI's bulk chemicals business is about to benefit from recovery, even though ICI is fairly dependent on sales to continental Europe, where economies are slowing down.

Shareholders recognise this operational gearing but accept they will have to more patient still.

One investor said that unless ICI and its advisers can dissuade them from this less-than-enthusiastic view, they might sell enough ICI to take up the Zeneca rights without having to put any new funds into the two companies.

Richard Gourlay

INTERNATIONAL COMPANIES AND FINANCE

Gota Bank operating loss deepens to SKr2.4bn

By Christopher Brown-Humes in Stockholm

GOTA BANK, the troubled Swedish bank under state control, saw its operating loss deepen to SKr2.4bn ($306m) in 1992 from SKr1.9bn a year earlier after credit losses more than tripled to SKr12.5bn from SKr3.7bn.

The loss would have been SKr12.9bn without SKr4.5bn in financial insurance and SKr6bn in state guarantees.

The bank said its capital adequacy ratio at the year-end stood at 8.46 per cent, although it noted that without state support its capital base would have been negative.

The government agreed last month to provide a total of SKr10bn in guarantees to Gota, so it has some additional loss coverage for the current year.

Credit losses ballooned well beyond the SKr8bn level predicted last September when it first became apparent that the bank would need state support.

The bank said 96 per cent of its credit losses arose from the corporate and financial sector, and 59 per cent of this total was related to real estate. It said just 15 loss engagements accounted for 38 per cent of total credit losses.

Gota was also hit by a sharp drop in net interest income because of its growing volume of problem credits. Total problem exposures, before provisions, amounted to SKr28.7bn although after provisions the total fell to SKr15.0bn. Operating revenue rose marginally to SKr4.1bn, but this was only after SKr2bn in financial insurance compensation.

A reconstruction of the bank is being carried out. Its problem loans have been transferred to a separate "bad bank" - following a model adopted by other Swedish banks - and 700 jobs are to be eliminated during 1993. Around half the bank's total loans and guarantees, or SKr37bn, are to be transferred to the bad bank.

Gota did not provide a forecast for 1993.

Price changes hit British Gas

By Deborah Hargreaves

BRITISH Gas said it would cut 2,400 jobs over the next two years after last year's profits dropped sharply following an increase in competition in its core UK market and a tough new pricing formula which forced the company to reduce prices. Profits were also hit by warmer weather.

British Gas's profit for last year almost halved to £681m ($967m) from £1.16bn the previous year.

An exceptional charge of £320m to pay for redundancies, environmental clean-up provisions and restructuring the corporate centre, accounted for a large part of the profits decline.

Mr Cedric Brown, chief executive, said the job cuts would "slim down the contract trading side and respond to the squeeze on margins in the tariff sector".

He emphasised that the reduction would be achieved through voluntary redundancies and natural wastage – British Gas loses around 7,000 people a year from normal wastage.

The planned cut in the workforce follows the loss of 800 jobs last year and an announcement earlier this year that the company would reduce its headquarters staff by 1,200.

Unions have blamed the job reductions on the regulator, which has imposed the tough new pricing regime and forced British Gas to give up much of its industrial market share.

Mr John Edmonds, general secretary of the GMB union, which represents most gas workers, criticised the company's management for mishandling its relationship with the regulator, by "adopting an arrogant attitude".

However, Mr Brown said yesterday that the company's relations with the regulator had improved.

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Securities offer by mortgage lender

By Tracy Corrigan in London

NATIONAL Home Loans, the troubled UK mortgage lender, has repackaged most of its non-performing mortgages into an offering of mortgage-backed securities in order to raise funds to repay some of its bank and bond debt.

The process, known as securitisation, allows the company to remove £175m ($245m) of non-performing mortgages from its books, leaving a mortgage book of £325m. It is the first publicly-offered issue of sterling mortgage-backed securities consisting of mortgages which are in arrears.

This is the latest step in NHL's efforts to repay its debt and reduce heavy financing costs. The company's funding costs soared following the rescheduling of its debt, when it came close to collapse last June. "We need to restore our financial position by de-gearing," said Mr Nigel Terrington, NHL's treasurer. "With this latest deal, we will have paid down 40 per cent of our total debt in nine months."

The issue has been rated triple-A by Moody's and Standard & Poor's. The rating agencies awarded their top ratings because of the high level of collateralisation; the £105m issue is backed by a £175m pool of mortgages. In addition, interest payments on the securities can be delayed, to allow for the uncertain cash-flow on non-performing mortgages.

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Housing arm helps lift WestLB profits

By David Waller in Frankfurt

GROUP operating profits at Westdeutsche Landesbank rose by nearly a quarter last year, the large German public-sector bank reported yesterday.

But stripping out the effects of integrating a subsidised housing subsidiary for the first time – and the income from the bank's own account trading activities – "partial" operating profits were up only slightly over the DM780m ($487m) made in 1991.

The bank pointed out that the rise in total group operating profits, to DM1.16bn last year from DM960m in 1991, was strongly influenced by the integration of Wohnungsbauförderungsanstalt des Landes NRW (WfA), acquired from the government of North-Rhine Westphalia at the beginning of last year. Total operating earnings – which include the contribution from own account trading – would have risen by 10 per cent without the contribution from WfA, WestLB said yesterday.

Reflecting the effect of a 17 per cent increase in staff costs, partial operating profits – which exclude own account trading results – rose by 11.8 per cent from DM637.3m to DM719.6m. WestLB said most of this rise was due to WfA.

Total assets of the group rose 17 per cent to approximately DM270bn, consolidating WestLB's position as one of Germany's top three or four banks in terms of balance sheet size. The contribution to assets from WfA was DM14bn, the bank said.

"Even if we disregard the special effect of the WfA integration, we were able to stabilise the positive development of our operating result, despite the unfavourable interest rate scenario," commented Mr Friedel Neuber, chief executive.

He said this would be helped through the bank's recent expansion in the state banking sector. WestLB, the state bank for North-Rhine Westphalia, recently took a 37.5 per cent stake in the Mainz-based Landesbank Rheinland-Pfalz.

Christiania Bank profits helped by interest income

By Karen Fossli in Oslo

CHRISTIANIA Bank, Norway's second-biggest bank, has cut losses significantly during 1992 due to a huge increase in net interest income, a sharp reduction in operating expenses and a substantial cut in credit losses.

Net losses at the state-owned bank fell to NKr1.3bn ($187m) from NKr9.2bn as net interest income rose by NKr357m to NKr3.1bn, despite a NKr300m reduction in loan volume.

Mr Borger Lenth, chief executive, hopes to reach break-even this year, but said there was still uncertainty over corporate customers' ability to service debt.

Non-interest income surged by 52 per cent, by NKr576m to NKr1.67bn, due to higher foreign exchange income and significantly lower losses on securities.

Foreign exchange income nearly doubled to NKr605m from NKr392m as securities losses were cut to NKr94m from NKr359m.

Operating expenses were slashed by 19 per cent, or by NKr653m to NKr2.86bn, allowing the bank to fulfil authorities' demands by a good margin to reduce costs by 15 per cent in 1992. Christiania cut 665 jobs last year to 4,236, and 1,100 jobs over the past two years.

Mr Lenth said the level of loan losses was still unacceptably high, especially among large corporate customers, but noted there had been a substantial improvement at the operating level.

"This is a direct result of measures taken last year to return the bank to profit. Our retail division . . . is in the black," Mr Lenth said.

Losses on loans and guarantees fell to NKr2.8bn from NKr7.2bn in 1991. Gross non-performing loans fell by NKr1.7bn to NKr12.1bn during the course of last year.

Provisions for loan losses include NKr1.8bn related to large corporate customers. Four commitments accounted for NKr1bn of the provision.

Losses by retail customers plunged by 60 per cent to NKr300m from NKr800m. Losses by small to medium-sized corporate customers accounted for NKr500m of provisions while the international subsidiary and branches accounted for NKr200m.

● IBCA, the UK credit rating agency, has placed three Finnish banks on RatingWatch for possible upgrade, after the Finnish parliament strengthened its commitment to resolving the country's banking crisis earlier this week, writes Christopher Brown-Humes.

MGN director under pressure

By Raymond Snoddy in London

LORD Hollick, the Labour Peer, seemed isolated last night as a director of Mirror Group Newspapers as all the other directors reaffirmed support for the business policies of the group.

After a meeting called to remove uncertainty about the political stance of the group, its future business direction and the leadership of Mr David Montgomery, the chief executive Lord Hollick said he could not fully support the views of his other directors.

Pressure could now grow on Lord Hollick, chief executive of MAI, the television, advertising and financial services group, to resign as a non-executive director of the UK popular newspaper group.

The board said yesterday that it confirmed its confidence in the MGN management and authorised Mr Montgomery and his colleagues to continue the agreed strategy.

Yesterday's board meeting was also told that Mr John Talbot, the administrator who holds 54.8 per cent of the shares in the group, has expressed his confidence in the management and is pleased with the progress made so far.

The latest row at the Daily Mirror blew up last week when Mr Montgomery, a former editor of Today, brought in Mr David Seymour as group political editor. This was seen as an effective demotion for Mr Alastair Campbell, the Daily Mirror's political editor.

Ironically, he was yesterday appointed assistant editor of Today by Mr Richard Stott, the new Today editor who was fired as editor of the Daily Mirror by Mr Montgomery.

The MGN board, which emphasised that there never would be any question of the group changing its left-of-centre political stance, said it regretted that Lord Hollick, could not support the board statement in full.

Crédit Lyonnais tightens BfG link

By Alice Rawsthorn in Paris

CREDIT Lyonnais, the French state-controlled banking group, has strengthened its position at BfG, the German bank in which it recently acquired a majority shareholding, by securing an agreement that gives it the right to intervene in the running of the bank.

BfG is in the throes of a rationalisation programme to reduce its 5,100-strong workforce to 4,400 over the next two years.

Crédit Lyonnais in November ended a five year campaign to expand into Germany by buying 50.1 per cent of BfG for DM1.42bn.

The French bank yesterday also announced it was expanding its domestic interests by raising its stake in SDR Expanso, a Bordeaux-based regional development agency, by 5 per cent leaving it with a total holding of 5.8 per cent.

Astra chief quits after dispute over policy

DR PETER Sjöstrand resigned abruptly yesterday as executive vice-president and chief financial officer of Astra, the leading Swedish pharmaceutical group, writes Christopher Brown-Humes.

His departure stems from a personal disagreement with Mr Hakan Mogren, Astra chief executive, over the future division of responsibilities. Neither the company nor Dr Sjöstrand were willing to elaborate.

Dr Sjöstrand, 46, joined Astra in 1975 and has been on the group's executive committee for the past 15 years. He was secretary of the board between 1976 and 1988 and a deputy of the board since then.

German builder optimistic

BILFINGER + BERGER, the German construction group has promised another "good" dividend after further increasing profits during 1992, writes Christopher Parkes in Frankfurt.

The company, which increased output by 14 per cent to DM6bn ($3.72bn), thanks to strong domestic demand, gave no details of earnings. In 1991, it paid out DM10 a share after a 50 per cent rise in net profits to DM65m.

However, figures released yesterday suggested that progress had slowed in the second half. Output rose 23 per cent in the first six months, with the domestic business up 39 per cent and overseas up almost 9 per cent.

Bobst sales fall 10 per cent

BOBST, the Swiss packaging machinery group, said its sales last year fell 10.2 per cent to SFr1.01bn ($674m), reflecting an accelerated slowdown in the last months of 1992, especially in Europe, writes Ian Rodger in Zurich.

The group expected cash-flow and profit figures for the year to be lower, but to a lesser degree than turnover thanks to cost-cutting programmes.

Japan eases broking and banking restrictions

By Emiko Terazono in Tokyo

JAPAN'S ministry of finance yesterday announced specific rules on easing of the barrier between the country's banks and securities industries.

The Japanese government last year decided the broad outline of rule changes in the financial markets, which come into effect in April. The banks and brokerages will then be able to enter some areas of each other's businesses through subsidiaries.

The details, which are expected to be approved by the cabinet today, lays out the conditions such as costs and rules concerning "firewall" restrictions between the parent company and subsidiary.

Banking subsidiaries of brokerages will need minimum capital of Y2bn, while Y10bn will be required to set up an underwriting brokerage. Last year's package allows banks' affiliates to issue but not to market convertible and warrant bonds and to deal in straight bonds. Banks will be kept out of stock trading for the indefinite future.

The new rules will allow banks to deal in commercial paper, certificates of deposit placed overseas, housing loan trust certificates and card loan trusts. Rule changes which place such products as "securities" under the Securities and Exchange Law, and are expected to bolster secondary markets especially that of asset backed securities.

● Bangkok Bank, Thailand's largest commercial bank, said yesterday its board had approved a doubling of the company's registered capital to Bt20bn ($788m)from Bt10bn, writes Victor Mallet in Bangkok.

"Whether we're going to call up the Bt10bn depends entirely on the bank's lending position," said Mr Piti Sithi-Amnual, executive vice-chairman.

Bangkok Bank also predicted net profits would rise to Bt12.3bn in 1993, to Bt14.9bn in 1994 and Bt16.5bn in 1995. Last year, its net profits rose 45.3 per cent to Bt10.54bn.

An unpromising corporate couple's marriage still flies

Nikki Tait examines the partnership between American International Group and International Lease Finance Corp

IN THE world of corporate marriages, a large, conservative insurance group and go-go aircraft leasing business would seem an unpromising couple. But, two-and-a-half years after New York-based American International Group and California's International Lease Finance Corporation tied the knot, the sceptics have fallen conspicuously silent.

Yesterday, announcing annual results, AIG noted a "record" year for ILFC. The achievement was made all the more remarkable by ghastly airline industry conditions and turmoil beseting ILFC's Shannon-based rival, GPA.

The results are only the latest outward sign of ILFC's success: its portfolio has doubled to over 200 jets during the past 30 months, while a $4.1bn order for 82 new aircraft, placed last December, was one of the few happy moments enjoyed by aircraft manufacturers recently .

Since matters are seldom simple in any leasing business, can business really be as good as it looks ? And, if yes, how has the curious coupling to an insurance colossus helped?

Scepticism abounded when AIG's $1.26bn purchase of ILFC was announced in June 1990. AIG, one of the world's biggest commercial insurers, is renowned for financial discipline, firm overseas links, and a sharp-tongued chief executive, Mr Maurice "Hank" Greenberg.

ILFC, by contrast, is a corporate stripling. It was born 20 years ago, when two Los Angeles-based college friends, Steven Udvar-Hazy and Louis Gonda, acquired a DC-8 and leased it to a Mexican airline. When AIG offered to buy, ILFC employed just 25 people and had posted 1989 profits of $61.2m after-tax. Given the cyclical character of the airline business and questions about residual aircraft values, Wall Street wondered if Mr Greenberg had taken leave of his senses.

From ILFC's viewpoint, the desire for corporate parentage was simple: it knew capital would be needed to expand its business and build up the jet portfolio. But it feared Wall Street would be skittish about the airline industry at the very moment when money was most in demand. "AIG, in one clean sweep, became our equity source," says the company today.

ILFC's appeal to AIG was a little more subtle. "AIG felt their domestic insurance operations would not grow as quickly as our business," Mr Udvar-Hazy explains. "By augmenting their financial services division with a company which had fast-growing earnings they could stabilise that end of their business."

Analysts make the point a little differently. "ILFC should not be viewed as part of AIG's basic insurance or even financial services businesses, but rather as an investment vehicle for a large company in a declining interest rate environment," suggested a recent Salomon Brothers circular.

This "investment" aspect to the marriage seems to have been borne out by the minimal operational integration over the past two years. ILFC remains firmly planted on the west coast, a continent away from AIG's headquarters, employing just 43 people. The lessor's top management has stayed in place. And contact between the two businesses is limited to top-level executives.

"They've had many opportunities to put a financial watchdog here... that's never been done," says Mr Udvar-Hazy. "So long as we meet the financial targets that have been established, we're effectively an autonomous subsidiary."

To keep the marriage sweet, ILFC had to perform, and AIG had to provide, financial security. AIG infused $125m of additional equity into the business at the time of the purchase and has committed another $200m, the last tranche coming in the final quarter of 1992.

To alleviate its own shareholders' concerns, AIG made clear it would not underpin any of ILFC's debts, which run to over $4bn.

But the solid corporate parentage still encouraged some upgrading of ILFC's debt rating. Moody's, for example, raised its rating of the senior debt by one notch to a2, and the commercial paper to Prime-1, its highest rating.

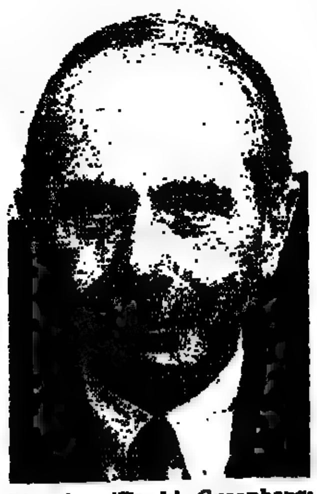
ILFC's ability to perform in the current market is more surprising, given all the red ink in the airline industry and the fact that a glut of aircraft means lease rates are soft.

Mr Udvar-Hazy's response is that any airline leasing business becomes a financing source for carriers in the tough times, and the lessor's credit-worthiness is all-important. "Airline balance sheets are hurting," he says. "So those carriers that do need aircraft generally have to resort to off-balance sheet financing, using someone else's financial statements."

He adds: "It's true we've had pressure on lease rates, but that has been more than offset by the lower cost of financing. We may have seen a 10 to 15 per cent erosion of lease rates, but we've probably had a 20 to 25 per cent decrease in our borrowing costs. In 1992, ILFC had the highest core leasing margins that we've had in 20 years."

But what about the reliability of airline payments and the danger that aircraft can be tied up in bankruptcy or administration processes?

Mr Udvar-Hazy's response is more pragmatic. He notes all ILFC aircraft are owned "free and clear" – that is, without the company's debt-providers having any mortgage interest on the aircraft themselves – and argues that this provides flexibility vis-a-vis customers.



Maurice 'Hank' Greenberg: renowned for his sharp tongue

There is a firm policy of pulling back aircraft from troubled lessees at the first opportunity. As a result, 86 per cent of the fleet is leased outside the US, up from 60 per cent, and only one aircraft is operated by a bankrupt US carrier – by TWA.

But business can still be nerve-wracking. "We beat the administrator at Air Europe by nine minutes," remembers Mr Udvar-Hazy. "We had four aircraft leased there, and we filed our default notice and court papers just ahead of the administrator. We got our aircraft out of there in 24 hours, but some people had aircraft stuck at Gatwick for 13 months."

As for profits, ILFC made $139.7m before tax in 1991, against $123m in the previous 13-month period. In the first nine months of 1992, the figure rose to $165.3m, against $110m in 1991. But the company changed its depreciation policies in 1992, writing down the value of aircraft more slowly. This lowered the depreciation charge – and bucked profits – to the tune of $28.4m in the first nine months of 1992.

Perhaps the most interesting question is how long ILFC can continue on this path? Mr Udvar-Hazy acknowledges that, once the company has built up a portfolio of 325 to 375 jets – that is by the mid-1990s – the dynamics will change.

"I don't think we can handle 400 or more aircraft, the way we're set up now in terms of administrative support", he says.

Growth, he adds, should continue as more wide-bodied aircraft enter the portfolio. But, unless the business is radically restructured, the rate will probably slow.

But Mr Ed Matthews, head of AIG's financial services division, discourages the notion that ILFC will have then outlasted its usefulness to the insurer. "ILFC's future rate of growth should be at least equal to AIG's," he claims, "which, we've said, should be 15 per cent or better."

AMERICAN International Group yesterday reported after-tax profits of $458.9m in the fourth quarter of 1992, up from $399.8m in the same period of 1991. The figures included realised capital gains of $13.2m and $10.3m respectively, writes Nikki Tait in New York.

The quarter's results take AIG's net profits total for the year to $1.66bn, against $1.55bn in 1991. The 1992 figure includes realised capital gains of $64.2m, up from $60.7m in the 1991, and a $31.9m boost from accounting changes.

The insurer noted that, like most of the industry, it had been badly hit by catastrophe losses last year – to the tune of over $190m – but attributed the results to the spread of its business.

For the year overall, AIG's general insurance division produced operating profits of $1.12bn, a decline of 9.9 per cent from 1991's $1.25bn. Feeling the impact of catastrophe losses, the underwriting deficit rose from $4.8m to $195m, while net investment income increased from $1.16bn to $1.25bn.

On the life insurance side, operating profits rose from $561.8m to $667.4m, while the financial services division overall made an operating profit of $346.4m, up from $222.2m.

Danske Bank reports DKr1.7bn loss

By Hilary Barnes in Copenhagen

DEN DANSKE BANK reported a loss of DKr1.7bn ($274m) in 1992, against a profit of DKr1.22bn in the previous 12 months, but the board expects an improvement this year. Profits on core operations rose from DKr334m to DKr702m.

The bank displayed its confidence in the future by proposing to maintain unchanged the dividend of DKr12 a share. Continued high provisions and a large loss on the valuation of the securities portfolio pulled down the 1992 performance.

Loss provisions increased from DKr2.88bn to DKr2.94bn, but were considerably lower in both years that in 1990, when they peaked at DKr 4.25bn. The value of the group's shares and bonds portfolio fell by DKr1.03bn.

The downturn in the economy of the Faeroe Islands contributed to the group's loss. Foroya Bank, in which Danske owns 81 per cent, made a loss of DKr395m and had to be recapitalised by Danske.

The bank's equity capital and reserves declined from DKr30.7bn to DKr18.3bn, but total capitalisation, including tier 2 capital, was virtually unchanged at DKr27.6bn.

As the balance sheet was reduced to DKr336.7bn from DKr363.4bn, the capital adequacy ratio increased from 10.2 to 11.0 per cent.

● An independent report has criticised Norwegian authorities for failing to stop Norway's biggest insurance firm, UNI Storebrand, from launching a disastrous raid on Swedish rival Forsakrings Skandia.

A commission led by former supreme court judge Erling Sandene said the Finance Ministry and the Banking, Insurance and Securities Commission should have blocked UNI purchases of Skandia shares – which later crashed in value.

Yokohama Rubber slips 6.5% for year

By Charles Leadbeater in Tokyo

YOKOHAMA Rubber, the rubber products producer which is Japan's second-largest tyremaker, yesterday reported a 6.5 per cent fall in pre-tax profits to Y11.9bn ($102.5m) in the year to December on sales down 2.8 per cent to Y286bn.

The company said it had been hit by a slowdown in the automotive industry, although sales of higher-value tyres, such as radials, had increased.

SA steel producer down 27%

By Philip Gawith in Johannesburg

EARNINGS at Iscor, South Africa's largest steel producer, dropped by 27 per cent in the six months to December as a higher portion of sales were exported while dollar prices were weak.

Although turnover rose by 5.8 per cent to R4.3bn ($1.37bn) from R4.05bn a year earlier, weak export prices eroded profit margins.

Pre-tax profits fell 18.4 per cent to R307m, from R376m, despite the benefits from the rand depreciating by more than 10 per cent against the dollar in the second half of 1992.

Iscor was also helped by a reduction in financing costs, the result of lower interest rates and strict cash management.

Attributable profits fell 27 per cent to R125m, from R171m, while earnings per share dropped to 6.7 cents, from 9.2 cents. The interim dividend was cut by one-third to 2 cents a share from 3 cents.

Total steel tonnage sold during the year fell by 1.8 per cent, with domestic sales falling by 9.9 per cent. The shortfall was made up by a 6.5 per cent increase in exports, which rose to 53.3 per cent of total sales volumes from 49.1 per cent in 1991.

As an austerity measure, capital expenditure was reduced to R267m from R393m, with only essential replacements and maintenance taking place.

Iscor predicted a similar level of earnings for the second half. The domestic market is not expected to improve, and dollar prices of exports are expected to remain weak. Offsetting this will be benefits from lower inflation and interest rates in South Africa.

LEGAL NOTICES

Notice of Creditor's Meeting under Section 48(2) Insolvency Act 1986
Company No 2056359. Registered in England and Wales

FIRST COVER PRINT LIMITED

Notice is hereby given pursuant to Section 48(2) Insolvency Act 1986, that a meeting of the unsecured creditors of the above-named company will be held at the offices of: Coopers & Lybrand, Orchard House, PO Box No 262, 10 Albion Place, Maidstone, Kent ME14 5DZ on 9 March 1993 at 10.30am for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a committee to exercise the functions conferred on creditors' committees by or under the Act. Creditors are only entitled to vote if: (a) They have delivered to us at the address shown above, no later than noon on 8 March 1993, written details of the debts they claim to be due to them from the company and the claim has been duly admitted under the provisions of Rule 3.11 Insolvency Rules 1986; and (b) There has been lodged with us any proxy which the creditor intends to be used on his or her behalf. Please note that the original proxy signed by or on behalf of the creditors must be lodged at the address mentioned: photocopies (including faxed copies) are not acceptable.

Signed: N J Vooght
Joint Administrative Receiver
Dated: 22 February 1993

No. 001002 of 1993
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF B ELLIOTT
public limited company
- and -
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 28th January 1993 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share capital of the above named Company from £33,881,082.15 to £11,747,016.60 and the reduction of the share premium account by £13,500,000

AND NOTICE is further given that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 10th day of March 1993

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Share Capital and Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose

A copy of the said Petition will be furnished to any person requiring the same by the undermentioned Solicitors on payment of the Regulated Charge for the same.

Dated this 26th day of February 1993
Clifford Chance
200 Aldersgate Street, London EC1A 4JJ
Ref: KO. Solicitors for the Company

No: 001160 of 1993
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF HUNTERPRINT GROUP PUBLIC LIMITED COMPANY
AND IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 9th day of February 1993 presented to Her Majesty's High Court of Justice for the confirmation of (1) the reduction of the capital of the abovenamed company from £25,150,900 to £17,450,900 (2) the reduction of Share Premium Account of the said Company by £13,020,000.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Mr Registrar Buckley at the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 10th day of March 1993.

ANY CREDITOR or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the share capital and Share Premium Account should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated the 26th day of February 1993
ASHURST MORRIS CRISP
Broadwalk House, 5 Appold Street
London EC2A 2HA
Reference: SAW
Solicitors for the said Company

KUDOS LIGHTING LIMITED
COMPANY NUMBER: 1742796

TO WHOM IT MAY CONCERN. Notice is hereby given pursuant to s 175 of the Companies Act 1985 that:

1. The above-named company has approved a payment out of capital for the purpose of acquiring its own shares by purchase in accordance with the terms of Section 174 Companies Act 1985.
2. The amount of the permissible capital payment for the shares in question is £60,000 and the resolution approving such payment out of capital was passed on 22 February 1993.
3. The statutory declaration of the directors' and the auditors' report required by ss 173 and 174 of the said Act are available for inspection at the company's registered office at 98 Wallasey Village, Wallasey, Wirral L45 3LQ.
4. Any creditor of the company may at any time within five weeks immediately following the date of the resolution on 22 February 1993 apply to the court under s 176 of the Act for an order prohibiting the payment.

Signed: M.D. Rosenblatt (Director)

Notice of Appointment of Joint Administrative Receivers

TRISON MECHANICAL LIMITED

Registered number: 1185821. Nature of business: Air Conditioning. Trade classification: 07. Date of appointment of Joint Administrative Receivers: 16 February 1993. Name of person appointing the joint administrative receivers: Lloyds Bank plc.

David Robert Wilton and Ian Napier Carruthers
Joint Administrative Receivers (Office holder nos 5708 and 6682)
Coopers & Lybrand
43 Temple Row
Birmingham B2 5JT

INSOLVENCY ACT 1986
PRS SALES LIMITED
(IN ADMINISTRATIVE RECEIVERSHIP)

Notice is hereby given that a meeting of the creditors of the above named company will be held under the provisions of Section 48 of the Insolvency Act 1986 at The Chartered Insurance Institute, 20 Aldermanbury, London EC2V 7HY on 19 March 1993 at 11.30 am for the purposes mentioned in S48(2) and S49 of that Act.

Creditors whose claims are wholly secured are not entitled to attend or to be represented at the meeting.

Creditors who intend to vote at the meeting should note the following:

(a) Written statements of claim must be lodged with the Joint Administrative Receiver by 12 noon on the day before the meeting at Ernst & Young, Becket House, 1 Lambeth Palace Road, London SE1 7EU

(b) Proxies for use at the meeting must also be lodged with the Joint Administrative Receiver

M E Mills, Joint administrative Receiver
Date 22 February 1993

GE Capital in $500m property assets deal

Martin Dickson in New York

GE CAPITAL, the fast-expanding financial services arm of General Electric, is spending some $500m to buy about half the portfolio of troubled real estate assets put up for sale last September by First Chicago, the mid-western bank.

GE Capital is one of the most aggressive buyers of troubled property portfolios in the US market, having avoided serious real estate investment problems of its own during the slump of the late 1980s.

First Chicago was one of the first banks to announce the wholesale disposal and write-down of its troubled property loans, which were originally valued at $2.1bn. It decided that there were no near-term signs of recovery in the US market.

The assets being sold to GE Capital had an original book value of about $1bn and are diverse, both geographically and by collateral type.

First Chicago said it did not expect the deal to have a material effect on earnings.

Amgen warning hits biotech shares

By Karen Zagor in New York

BIOTECHNOLOGY stocks staggered under a second blow in three days after Amgen, a benchmark biotechnology company, warned late Wednesday that its first-quarter earnings would fall as much as 15 per cent below analysts' expectations.

The news sent biotech shares tumbling across the board. At mid-session, Amgen plunged $9¼ to a 52-week low of $37, Chiron lost $2¼ to $46¾, US Healthcare dropped $1¼ to $43¾, and Synergen, which triggered a sell-off in the sector on Monday, lost $¾ to $14¼.

Centocorp and Xoma both held steady, at $6¾ and $8½ respectively, but the lack of movement was a reflection of the heavy losses already suffered by the stocks rather than a vote of renewed confidence in the companies.

Centocorp traded as high as $60¼ last year, while Xoma has fallen from a high of $25¼.

Amgen blamed its disappointing forecast on unexpectedly slow sales of its Neupogen cancer drug. Although sales of Neupogen have risen about 30 per cent in the year, the company and Wall Street had expected a stronger performance.

The news came on the heels of Monday's report by Synergen, a Colorado-based drug developer, that research data on its Antril sepsis drug did not match earlier trials.

Biotechnology stocks, like other healthcare issues, have suffered from investor concern that the Clinton administration's healthcare policy will lead to lower drug prices.

But the sagas of Synergen, Amgen, Centocorp and Xoma underscore an inherent vulnerability in the biotechnology sector, where investors speculate on the future earning performance of products which are either in development or only recently approved for marketing.

Synergen, whose stock plummeted $28¾ - or 68 per cent - on Monday, was believed to have the most promising treatment for septicaemia, an often-lethal blood infection which afflicts about 1m Americans and Europeans each year.

Earlier studies of Antril had shown it reduced death by 40 per cent to 60 per cent.

However, the company's latest study, involving a much larger number of patients, indicated that a high dose of the drug reduced mortality by only 15 per cent.

Synergen is not the first biotech company to stumble in its search for a treatment for sepsis. Both Centocorp and Xoma faltered after their once-promising drugs proved less effective than initial studies had indicated. Neither Centocorp nor Xoma have received marketing approval for their sepsis drugs.

In the case of Amgen, the company already has two effective drugs on the market. But Amgen's future success as a drugs company depends largely on broadening its product line and the funding for future research will, to a large degree, depend on the sales of Neupogen.

Sandberg behind trade bank purchase

By Barbara Harrison in Miami

SIR Michael Sandberg, former chairman of Hongkong and Shanghai Bank, is behind the acquisition of First American International Bank of Miami, a subsidiary of the BCCI-tainted First American Bank of Georgia, which is in liquidation.

First American of Miami, which specialises in trade finance for Latin America, will be acquired for $6.5m by AmTrade International Bank of Georgia.

Amtrade International Bank, which is being created for the Miami acquisition, also intends to start the only bank exclusively devoted to trade finance in Georgia.

AmTrade International is 94 per cent owned by a holding company called Broadstreet, organised last year and chaired by Sir Michael. Broadstreet won approval this week from the US Federal Reserve for the two transactions.

Mr Robert Glustrom, an Atlanta attorney who is president of Broadstreet, said the group aimed to expand substantially the trade finance business of the Miami bank, which will be renamed AmTrade International Bank of Florida.

The bank last year was rolling over around $75m to $80m in trade financing every 90 days, according Mr Vincent Cater, formerly an official with First American in Miami and now president of AmTrade International. The company is linked to a network of 450 corresponding banks in 88 countries.

AmTrade International in Atlanta will target small and medium-sized companies, said Mr Glustrom. He said both banks would focus on building trade finance business with Asia and Europe. The Miami branch will seek to expand its US-Latin American business to finance Latin American trade with Europe and Asia.

Given the Federal Reserve's approval, the creation of AmTrade International of Georgia and the Miami acquisition are expected to be completed in the next few weeks.

Peoples Jewellers chief quits as more shortfalls revealed

By Bernard Simon in Toronto

PEOPLES Jewellers, the Canadian jewellery chain forced into court protection by a 1980s acquisition spree in the US, has disclosed details of numerous discrepancies in its financial statements and accepted the resignation of its long-serving chief executive. The 230-store chain also plans to seek court permission to solicit bids from prospective buyers for its entire business or for specific assets.

Mr Irving Gerstein, whose family owns about 86 per cent of Peoples' shares, has resigned as chairman and chief executive. The company said Mr Gerstein, who will remain a director, is putting together a restructuring or acquisition proposal with "independent sources of financing".

Peoples filed for bankruptcy protection in December, following similar action by Zale Corp, the largest jewellery chain in the US, in which Peoples had a 47 per cent stake.

Peoples, in partnership with Swarovski International of Switzerland, bought control of Zale in 1986 in a US$650m leveraged buy-out engineered by junk-bond pioneer Mr Michael Milken.

Peoples said yesterday that an examination of its books by auditors Deloitte & Touche haduncovered, among other things, an unfunded shortfall in the executive pension plan and an unauthorised purchase for cash of almost 20,000 shares by the employee profit-sharing plan.

The company is also considering changes to its accounting practices, which it warned could result in further write-downs. It plans to apply for a 10-day extention, until early March, of the deadline for filing a plan of arrangement.

The board named Mr Duff Scott, a former head of Prudential-Bache Securities' Canadian subsidiary as acting chairman. The chief financial officer has been appointed acting chief operating officer, leaving the company without a chief executive for the time being. Mr Charles Gill quit late last year as president.

Alitalia losses contract further

By Robert Graham in Rome

ALITALIA, Europe's fourth-largest airline, yesterday reported a further contraction in net group losses during 1992, which fell from L34.5bn to L14.7bn.

The Italian state-controlled airline claimed yesterday that it had strengthened its position in the market place.

The board, however, warned that 1993 promised to be a difficult year which "might see a slowdown in the process of renewal and relaunching so positively under way".

During the period 1993-96, Alitalia plans to invest L4,270bn ($2.76bn). Last year, the airline carried out fleet investment worth L363bn.

To cover financial needs of L134bn, assets were sold, including unwanted aircraft worth L101bn. Provision for potential foreign exchange losses as a result of the lira's float since September amounted to L60.3bn.

Group revenues rose by 17 per cent to L5,428bn, and if domestic and international traffic carried is measured against 1990 to exclude the anomalous effects of the 1991 Gulf war, the rise was 26 per cent. The load factor edged up to 66.3 per cent compared with 61.3 per cent during the Gulf war year.

The airline continued to prune its workforce during the year, with job losses totalling 67. The company claimed productivity had been raised 26 per cent over the past two years.

The board gave no estimate of the impact of last December's purchase of a 30 per cent stake in Malev, the Hungarian airline, but in 1991 it had earnings of $28m.

JC Penney has strong final quarter

By Nikki Tait in New York

J.C. PENNEY, one of the largest department store and catalogue retailers in the US, registered a sharp improvement in final-quarter results for 1992-93, with the after-tax profits reaching $375m.

The figure, for the three months to end-January, was scored on sales of $6.06bn, up from $5.37bn in the previous year. In the final quarter of 1991-92, the Texas-based retailer recorded after-tax profits of $37m, but this lowly figure came after net restructuring charges of $264m.

The final quarter's results take Penney's full-year profits to $777m after tax, and 12-month sales to $18bn. In the previous year, the company made a net profit of $80m after restructuring and accounting-related charges of $445m.

Yesterday, J. C. Penney shares rose strongly on news of the final quarter's figures, adding $2¾ at $78¼.

The company said the improvements last year had been spread across all of its main merchandise divisions – including womens and menswear, childrenswear, home furnishings, and catalogue. It also said early spring merchandise sales in the current year boded well.

Rio Algom holds sales but profits slip

By Robert Gibbens

RIO ALGOM, an independent copper, uranium, potash and coal producer since Rio Tinto Zinc sold its 51 per cent control to the public last June, has reported lower profit for 1992.

Though copper prices were favourable, potash operations improved and the Canadian dollar was lower, uranium and metals distribution results were lower.

Profit from continuing operations declined to C$39.4m (US$31.2m), or 85 cents a share, from C$44.8m, or 97 cents, a year earlier.

Revenues were little changed at C$1.03bn.

On the same basis, fourth-quarter net equalled 22 cents a share against 29 cents, on revenues of C$263m against C$264.5m.

Turnround at Lawson Mardon

By Robert Gibbens in Montreal

LAWSON MARDON, the Canadian-based international packaging group, staged a turnround in 1992. The group registered a net profit of C$17.4m (US$13.8m), or 58 cents a share, against a loss of C$10.8m, or 38 cents, including restructuring charges, in 1991.

Revenues rose 7.3 per cent to C$1.3bn, despite the North American and European recessions.

Last autumn, Lawson raised C$105m in new equity. About two-thirds of its sales are made in Britain, but late last year it bought Spain's largest packaging company from Cragnotti & Partners, the Italian investment group that holds 48 per cent of Lawson. Other acquisitions are planned in Europe and North America.

Mr Andrea Mattiussi, president, said the results proved that the restructuring last year was a success and the group could face continuing pressure on margins with confidence.

"The Spanish acquisition was a key part of our plan to consolidate Lawson's position in southern Europe, complementing the northern Europe operations and serving as a base for future growth."

● Domtar, the Quebec-based pulp and paper and building materials group, has raised C$150m by the sale of 8 per cent convertible unsecured debentures to a group of investment dealers headed by Burns Fry. The funds will be used to repay maturing debentures and for capital spending.

Two Quebec government agencies, the Caisse Depôt and Société Générale de Financement have bought C$66m of the issue.

The government indirectly owns 44 per cent of Domtar.

Viasa ends year in red

By Joseph Mann in Caracas

VIASA, the Venezuelan international airline that was privatised in 1991, suffered a loss of US$50m in 1992, according to Mr Rafael Ordozgoiti, the company's vice-president.

The Viasa executive said the airline hoped to reduce losses this year to $25m and shareholders would be asked to raise $63m in new capital to cover past losses.

Viasa, formerly owned by the Venezuelan government, was the first major privatisation carried out by the administration of President Carlos Andreas Perez. In 1991, Iberia, the Spanish carrier, bought 45 per cent of the airline's shares, while a large Venezuelan financial organisation, Banco Provincial Group, acquired 15 per cent (Credit Lyonnaise holds a minority provincial in Banco Provincial).

The government retains control of a 40 per cent stake of the shares, part of which is being sold to employees.

Top two at Showa Shell to quit over losses

By Michiyo Nakamoto in Tokyo and Deborah Hargreaves in London

THE president and chairman of Showa Shell Sekiyu, the Japanese oil refiner and distributor 50 per cent owned by Royal Dutch/Shell, are resigning to take responsibility for Y125bn ($1.07bn) of so far unrealised foreign exchange futures losses which the company revealed last weekend.

Mr Takeshi Henmi, president, and Mr Kiyoshi Takahashi, chairman, will step down after steps have been taken to ensure that the foreign exchange losses will be covered, the company announced yesterday.

Mr Henmi will also be resigning his post as vice-chairman of the Petroleum Association of Japan.

The Shell group has already said it will send Mr Neil Gaskell, head of investments, to the board of the Japanese company. Currently, Shell has one representative on Showa Shell's board.

Shell, which made a provision of £131m ($183m) to cover the currency losses in the fourth quarter, announced yesterday it would make a further provision of £65m in the first quarter.

Mr John Jennings, Shell group managing director, said the currency speculation was a "gross contravention of the company's internal procedures and practices."

He said the company was reviewing whether to tighten up its rules that govern the activities of associate companies. Shell is also looking at further disciplinary measures at Showa Shell. One executive in the treasury division has also resigned and another has been moved to another part of the company, while the manager in charge of treasury operations has been dismissed. Executives and auditors will also surrender their bonuses.

Showa Shell Sekiyu expects to incur losses of Y125bn on dollar futures trading conducted by a small group in the company's finance department.

The group speculated in 1989 that the dollar would rise and continued to roll over futures contracts over four years, in breach of company rules.

The company said yesterday it planned to cover the losses by selling assets, mainly stocks, and by making a charge against profits. For 1993, it expects to cover Y70bn of losses through asset sales of Y50bn and an extraordinary charge of Y20bn.

Showa Shell has already moved to limit the losses by capping the exchange rate at which it will buy dollar futures, it said.

Over a period of about four years, the group in the treasury department took contracts to buy the dollar at a future date at an average rate of Y145.

During that time, however, the dollar fell to about Y125 on average, and Showa Shell's losses snowballed.

Depending on moves in the currency market the losses could be as high as Y160bn.

The futures trading continued unknown to top management as the group postponed settlement of their contracts so that, while the losses multiplied, nothing appeared in the company's accounts. Japanese accounting rules do not require the disclosure of losses unless they are actually realised.

Yesterday, the company also announced a 12 per cent drop in profits for the year to December 31. Pre-tax profits fell to Y38.03bn from Y43.39bn the year before. Sales slipped 3 per cent to Y1,565bn from Y1,617bn. The Showa Shell figures did not include a provision for the foreign exchange futures losses.

Showa Shell said that the main reason behind the fall in profits was the slide in oil prices in Japan coupled with a rise in costs, mainly relating to transport.

Although oil prices fell, the volume of sales increased and this added significantly to domestic costs, the company said.

Chinese steelmaker buys HK group

By Simon Holberton in Hong Kong

SHOUGANG Corporation, the acquisitive mainland Chinese iron and steel maker, has purchased 25.12 per cent of Eastern Century, a Hong Kong-based metals and minerals trader, for HK$164.2m (US$21.2m).

This is Shougang's second foray into the Hong Kong market – in October it bought a controlling interest in Tung Wing Steel, a steel trader and distributor – and follows acquisitions as far afield as Peru and California.

The company, also known as Capital Steel, is believed to be in the bidding for Overseas Trust Bank, which has been put up for sale by the Hong Kong government.

Eastern Century was listed on the Hong Kong stock exchange in April last year. Its main business is the trading of manganese ore and manganese ferro-alloys – essential raw materials for steel making.

Last year it went into a mainland venture for the production of manganese ferro-alloys when it established Xinyu Far East Ferro Manganese and Shanghai Shenjia Ferro-Alloys.

Shougang, with headquarters in Beijing, published its financial results to coincide with the deal.

Last year, it earned pre-tax profits of Yn3.2bn ($555.5m) on turnover of Yn13.4bn – the highest profit before tax of China's top 500 national companies. Fixed assets were valued at Yn30bn.

Mr Chan Chun Keung, chairman of Eastern Century, said: "The injection of Shougang's capital, expertise in technology and management will further the group's interest in the People's Republic."

After the deal, Mr Chan's shareholding in Eastern Century, will fall to 28.28 per cent from 45.98 per cent, and that of Deeside International, a French investor, will fall from 16.81 per cent to 5.75 per cent.

Big turnround in shipbuilding boosts Daewoo

By John Burton in Seoul

DAEWOO, South Korea's fourth-largest conglomerate, yesterday reported a 10-fold increase in net profits for 1992, mainly due to improvements in its securities and shipbuilding operations.

Net earnings for Daewoo, which consists of 22 subsidiaries, rose to Won298.2bn ($370m) from Won28.4bn in 1991. Sales increased by 25 per cent to Won20,000bn.

The results were encouraging for Daewoo, which has had slim profit margins in the last few years due to losses in its key industries. Profitability had also suffered from a mounting debt burden, with high-interest short-term loans accounting for about one-third of outstanding borrowings in 1991.

Daewoo Securities reported a sharp increase in earnings, which climbed to Won55bn from Won1.8bn. This reflected increased brokerage activity as the Seoul bourse posted its first annual gain in three years. Turnover for the firm rose by 68 per cent to Won380bn.

Daewoo Shipbuilding, which is unlisted, posted the biggest profits among the group companies with earnings of Won211bn, a 167 per cent increase over the year before. Sales rose by 43 per cent to Won1,550bn.

The sharp profit increase at the shipbuilding unit was due to rationalisation and a rise in orders. The company also diversified into vehicle production last year and reported good sales for its range of mini-cars and vans.

The results represent a dramatic turnround for Daewoo Shipbuilding, which suffered huge losses in the late 1980s and had to be rescued from possible bankruptcy in 1989 with a Won400bn government loan.

As part of the rescue package, the government ordered Daewoo Shipbuilding to merge with Daewoo Heavy Industries, traditionally one of the group's strongest units, by the end of 1994 to improve its financial stability.

Sales and earnings at Daewoo Heavy Industries, a machinery manufacturer, declined in 1992 after three years of growth.

Earnings fell by 44 per cent to Won10.5bn, while sales dropped by 10 per cent to Won904.7bn. The decrease was blamed on sluggish domestic industrial investment and a downturn in construction.

Renison falls to A$10m in first half

RENISON Goldfields, the Australian mineral sands, tin, gold and copper mine which is 40 per cent owned by Hanson of the UK, yesterday posted a fall in net profits to A$10.35m (US$7.21m) for the first half to December, from A$23.54m a year earlier, Reuter reports from Sydney. The group also said it would have difficulty matching the profits in the second half.

Sales advanced to A$328.9m from A$299m; earnings per share fell to 5.2 cents from 11.9 cents; and the interim dividend is being halved to 2.5 cents. Mr Campbell Anderson, managing director, said: "The company does not anticipate any significant market recovery in the second half."

He said that, to contain operating costs, plant rationalisation in mineral sands might require a limited write-down of existing plant and equipment.

He said the first-half result was disappointing and reflected mainly depressed conditions in most of Renison's principal commodity markets.

Mr Anderson said US dollar gold prices were below those of a year ago, and the price improvement experienced in copper and tin early in the half year proved to be short-lived.

Tough first half for Brambles

By Kevin Brown in Sydney

BRAMBLES Industries, the diversified Australian transport group, yesterday blamed economic conditions in Europe and the US for a 0.7 per cent fall in net profit to A$88m (US$59.8m) for the first half to end-December. Sales fell 10 per cent to A$1.3bn.

Mr Gary Pemberton, chief executive, said the result "fell short of expectations", mainly because of reduced demand for waste processing in the US and a lower UK contribution.

Mr Pemberton said prospects for the second half were difficult to predict, but "any reasonable reading of overseas economic conditions would demand caution".

He said Brambles' full-year result would be "particularly sensitive" to the state of the US economy, where the newly established Chep USA pallet business recently won a big contract with Campbell Soup, the US food group.

Brambles said the contribution from Australian operations slipped slightly from last year, but added that the economy had showed some signs of recovery before pre-election jitters set in after the New Year. Some Australian businesses contributed improved trading profits, but the economy continued to provide a difficult trading environment for most of the company's industrial service activities.

In Europe, the group's new contracting, records management and forklifts businesses contributed to a slight improvement in trading profits, although crane and construction-related operations were "disappointing."

Mr Pemberton said UK trading conditions were tough. The effects of high interest rates and rising unemployment were most severe on the Cleanaway and GKN-Chep joint ventures.

The group said the interim dividend would be maintained at 30 cents, fully franked.

Asahi Glass warns of tough year

By Charles Leadbeater in Tokyo

THE Japanese business environment will remain severe for most of this year, Asahi Glass, the country's leading glassmaker, warned yesterday when it reported a 33.5 per cent fall in ordinary income for the year to the end of December.

Asahi Glass' sales fell by 1 per cent to Y1,011bn ($8bn), operating income fell by 46.9 per cent to Y25bn, ordinary income was cut to Y40bn, and net income declined by 44.6 per cent to Y20.4bn.

The company's consolidated sales rose by 5 per cent to Y1,316bn, but its operating income fell by 32 per cent to Y42bn and net income declined by Y35.6 per cent to Y24bn.

Asahi Glass said it was pressing ahead with a three-pronged restructuring programme, to cut costs, improve co-ordination between its Japanese and overseas subsidiaries and put more emphasis on more sophisticated, higher value-added products.

The glassmaker has been badly hit by a fall in demand from the Japanese car and electronics industries and the stagnant construction sector.

Finance sector lifts Lend Lease 1.6%

By Kevin Brown

LEND LEASE, the Australian life insurance and property group, yesterday announced a 1.6 per cent increase in net profit to A$111m (US$79m) for the six months to the end of December.

The result included a sharply higher contribution from financial services activities, offsetting a further decline in property earnings, which fell from 32 per cent of net profit to 27 per cent.

Mr Stuart Hornery, chairman, said the group expected to exceed last year's full-year net profit of A$195.3m. The interim dividend was raised from 32 cents to 33 cents, fully franked.

The group said retail financial services contributed A$75m to net profit, compared with A$56m in the previous comparable six months. The result included a dividend of A$13m from Australian Eagle Life, which was acquired last year.

Lend Lease said the downward trend in profits from property development, construction and management was believed to have stabilised. The property services division earned A$43m before tax, compared with A$51m.

The group said it expected strong growth in the contribution from management of corporate superannuation funds. Premium income from corporate superannuation rose to A$751mn from A$340m during the period.

US insurer to quit Japan

By Emiko Terazono in Tokyo

CONTINENTAL Insurance, the Japanese arm of US casualty insurer Continental Corporation, yesterday announced it would withdraw from the Japanese market in September.

The move is part of Continental's restructuring of its overseas network after facing losses from hurricane damage and the costs of reinstating catastrophe reinsurance.

It may trigger similar decisions among US casualty insurers facing huge claims for damages caused by hurricanes Andrew and Iniki. Japan's tightly-regulated insurance market has also been a barrier for foreign insurers, which find it difficult to crack traditional relationships between Japanese business and their insurance companies.

Continental has about 30,000 contract holders in Japan, and its premium income totalled Y1.2bn ($10m) during the year to March last year, ranking eighth among 38 foreign insurance companies in Japan.

The Tokyo arm of Assicurazioni Generali, a leading Italian casualty insurance company which started its Japanese operations in 1991, will take over Continental's operations and contracts. Continental's 50 employees are also expected to be transferred to Assicurazioni.

INTERNATIONAL CAPITAL MARKETS

Currency debt re-rating threat hits Italian futures

By Antonia Sharpe in London and Karen Zagor in New York

ITALIAN government bond futures fell steeply yesterday afternoon on news that Moody's Investor Services, the US credit rating agency, had placed Italy's long-term foreign currency debt rating of Aa3 under review for a possible downgrade.

Moody's last reduced Italy's foreign currency debt rating to Aa3 from Aa1 in August.

Earlier in the day the Italian government bond market had been supported by news that the government of Prime Minister Giuliano Amato had survived its second vote of confidence in the space of three weeks.

Late in the day, the Liffe March BTP future traded at 95.51 on volume of 19,343 contracts, down from a high of 96.50 in the early afternoon, and below the previous day's close of 95.86.

Moody's said it had taken this action because of two concerns, firstly because of the lack of progress in reducing the country's public sector deficit, and secondly, because efforts to improve the fiscal balance have been impeded by the deepening political crisis.

Moody's also lowered the domestic currency rating of Enel, the electricity authority, to Aa3 from Aa1 and also placed the rating under review for further downgrades. Enel

GOVERNMENT BONDS

debt is guaranteed by the Italian government. A total of $62.5bn worth of debt is affected.

Meanwhile, the Bank of Italy said it planned to change the auction system for government securities. Mr Bruno Bianchi, head of the central bank's monetary and financial division, said the revised system would be computer-based in order to shorten the time of the auction. The new system could go into effect next year.

Currently, banks participating in the securities auctions must send a telex to the central banks to make their bids.

■ UK GOVERNMENT bonds rose steadily to close at the day's highs, supported by a slight recovery in the pound from its record lows. The long end rose between ¼ and ½ point. The gain at the shorter end was limited to $\frac{1}{8}$ point.

The Liffe March long gilt future rose to the day's high of 103$\frac{9}{32}$ late in the day, up from the previous close of 103$\frac{1}{32}$, in volume of 25,902 contracts.

Trading was quiet and dealers said the market appeared to be stuck in a range of about one point on either side of current levels. They added that the market remained at risk on the downside, due to the continued vulnerability of sterling.

■ US TREASURY prices hovered at slightly higher levels yesterday morning in relatively quiet trading.

At mid-session, the benchmark 30-year government bond was $\frac{1}{8}$ higher at 103$\frac{13}{32}$ yielding 6.846 per cent. At the short end of the market, the two-year note was up $\frac{1}{32}$ to yield 3.909 per cent.

The Federal Reserve entered the open market to add liquidity to the banking system by arranging four-day system repurchase agreements. Fed funds traded at 3 per cent, the Fed's perceived target, when the intervention occurred.

The market shrugged off news that unemployment claims rose by 4,000 in the week ended February 13 to 325,000. Expectations had centred on a rise of 8,000 to 10,000 for initial weekly claims.

■ GERMAN government bonds were little changed in the cash market late in the afternoon but the long Bund futures were slightly firmer. The Liffe March bund future rose to the day's high of 94.67 in moderate volume of 45,008 contracts, up from the previous day's close of 94.52.

Dealers said that yesterday's inflation data from the western German state of Baden-Württemberg had dampened hopes of a credit policy change by the Bundesbank at its regular fortnightly meeting next Thursday.

Consumer prices in Baden-Württemberg, the third of western Germany's four largest states to release inflation figures for the month, climbed 0.5 per cent in the month to mid-February and rose 4.1 per cent.

The latest figures represent a mild slowdown from January's consumer price index monthly rate of 1.2 per cent and the annual rate of 4.2 per cent. But the figures continue to show an inflation rate above the 4 per cent which the Bundesbank regards as too high.

FT FIXED INTEREST INDICES

	Feb 25	Feb 24	Feb 23	Feb 22	Feb 19	Year ago	High *	Low *
Govt.Secs.(UK)	98.26	98.52	98.54	98.57	98.32	88.35	98.57	85.11
Fixed Interest	112.35	112.50	112.41	112.25	112.86	101.38	112.50	97.15

Basis 100: Government Securities 15/10/26; Fixed Interest 1928. * for 1992/93. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 112.50 (24/2/93), low 50.53 (3/1/75)

GILT EDGED ACTIVITY

Indices*	Feb 24	Feb 23	Feb 22	Feb 19	Feb 18
Gilt Edged Bargains	136.1	127.2	136.5	137.4	140.6
5-Day average	135.6	138.1	140.4	141.8	145.8

* SE activity indices rebased 1974

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	112.9524	+0.141	8.04	8.46	8.77
BELGIUM		9.000	03/03	109.7250	-0.020	7.59	7.73	7.59
CANADA *		7.250	06/03	99.3000	+0.450	7.35	7.51	7.92
DENMARK		8.000	05/03	95.6700	+0.120	8.65	8.73	8.42
FRANCE	BTAN	8.500	03/97	102.3474	-0.089	7.78	7.82	7.92
	OAT	8.500	11/02	105.9900	-0.150	7.60	7.69	7.88
GERMANY		8.000	07/02	107.8600	+0.220	6.84	6.94	7.14
ITALY		12.000	05/02	96.1200	+0.170	13.13†	13.14	13.15
JAPAN	No 119	4.800	06/99	105.2019	-0.004	3.78	3.95	4.24
	No 145	5.500	03/02	111.4829	+0.109	3.80	4.14	4.33
NETHERLANDS		8.250	09/02	110.5700	+0.380	6.86	6.88	7.16
SPAIN		10.300	06/02	90.3000	+1.000	12.06	11.59	11.77
UK GILTS		7.250	03/98	102-20	-	6.62	6.75	6.87
		8.000	06/03	51-03	-2/32	7.82	7.87	8.07
		9.000	10/08	105-26	-1/32	8.31	8.37	8.78
US TREASURY *		6.250	02/03	100-22	-3/32	6.15	6.19	6.43
		7.125	02/23	103-10	-4/32	6.86	7.04	7.21
ECU (French Govt)		8.500	03/02	104.0250	+0.020	7.87	7.98	8.35

London closing, *denotes New York morning session. Yields: Local market standard. † Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.) Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

Mortgage lender places its faith in securities

National Home Loans' £105m issue of securities backed by non-performing mortgages yesterday achieves a number of important goals for the troubled mortgage lender, which had to be rescued by its banks last year.

As well as removing a further chunk of mortgages from its balance sheet, NHL will use the proceeds to repay more expensive bank and bond debt. The deal will leave NHL with a mortgage book of just £325m, after securitising a total of more than £3bn of its mortgages.

The mortgage-backed issue, launched yesterday by Goldman Sachs, consists of two senior tranches and a large subordinated tranche, providing collateralisation, which is kept by NHL. The senior tranches pay interest of 85 basis points over the London interbank offered rate – for an estimated one-year average life – and 110 basis points above Libor for a two-year average life.

Although this margin looks high compared with spreads on ordinary mortgage-backed securities with a similar average life, which are currently trading at 35 to 40 basis points over Libor in the secondary market, the cost savings for NHL are substantial.

When the company was forced to reschedule its debt last year, its financing costs rose dramatically. NHL is currently paying interest of 200 basis points over Libor on its £400m of bank debt. Prior to the restructuring of its debt last year, the company was paying only 30 basis points over Libor.

NHL is also paying 200 basis points over dollar Libor on its dollar bonds, which were also rescheduled. Earlier this month, NHL shelved plans to reschedule its D-Mark bonds.

Since last year, the company has generated cash to repay £140m. Its main source of cash is now the vehicles created to issue previous mortgage-backed offerings; any surplus revenue not needed to pay interest on those deals is channelled back into the mortgage originator. Under the terms of its debt restructuring last June, all banks and bondholders received equal payments of the £140m paid in debt paid down, reducing the total level of debt to £560.

The latest financing serves another function; the maturity of the securities matches the life of the mortgages.

The severity of National Home Loans' problems in the last few years were exacerbated by the company's failure to match the maturity of its assets and liabilities, by funding long-dated mortgages in the money-markets.

NHL was in the process of renegotiating its syndicated bank facilities when money-market funding dried up suddenly, as investors withdrew funds in the wake of the BCCI collapse. This resulted in the steep increase in cost of funding, which it is now attempting to reverse.

Last year, NHL recording pre-tax losses of 146m, but Mr Jonathan Perry, the group's executive chairman, predicted a "significantly reduced loss" in 1993 and a future return to profitability.

Although the company has managed to repay some of its debt, NHL is not generating any new business, and with only a small mortgage book left, is little more than a shell company.

So far, Barclays and the TSB are the only UK banks to have securitised any mortgages, but UK banks and building societies are currently studying the market. There is a strong incentive for banks to remove non-performing mortgages from their balance sheets, since they require twice as much capital.

Yesterday's £105m issue by the troubled National Home Loans achieves a number of important goals, says Tracy Corrigan

Canadian issues rally from Mulroney resignation fall

By Richard Waters

THE Canadian dollar market yesterday remained a focus for international borrowers, as government bond prices bounced back from news of Prime Minister Brian Mulroney's resignation the day before.

The Republic of Austria raised $300m through a 10-year issue, while Rabobank issued $125m of bonds over five years.

Both deals reflect the con-

INTERNATIONAL BONDS

tinuing good opportunities offered by the Canadian dollar swap market, allowing borrowers to switch to a floating-rate liability at an advantageous level.

Austria's issue was thought to have equated to an all-in cost of around 25 basis points below Libor.

Strong demand in Canada for fixed-rate mortgages explains the continuing opportunity for international borrowers to find attractive levels in the swap market.

Canadian government bond prices advanced after the setback on Wednesday, with the yield spread between the Canadian and US bond markets tightening from 142 basis points to 135 basis points.

Austria's issue was said by banks involved in the transaction to have been aggressively priced, although some reported that the bonds had sold well regardless.

The Rabobank issue was modelled closely on a C$125m five-year issue brought earlier in the week for the City of Vienna.

That was offered at a yield 47 basis points above government bonds, while Rabobank's bonds were launched with a yield spread of 45 basis points.

Meanwhile, Royal Insurance became the latest UK insurer to come to the sterling bond market, raising £100m through a subordinated 10-year issue.

It follows Confederation Life, which raised £100m through a similar 10-year transaction last month.

Royal said the issue, which follows a £76m convertible at the end of last year, was intended to extend the maturity of its debt, a third of which now had a life of 10 years or more. The 175 basis point spread over gilts compared with a 150 basis point spread from Confederation Life.

Royal said it had no need to borrow for a longer period, though observers pointed out that a long-dated issue would have added considerably to the company's borrowing costs.

● Bass, the UK brewer, raised $300m through an issue in the US domestic market. The 6¾ per cent notes, expected to be rated A-1 by Moody's and A-plus by Standard & Poor's, yield 63 basis points over comparable US Treasuries.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Exxon Capital Corp.	250	6.15	100.825	Mar.2003	2/1.25	Kidder Peabody Int.
Japan Highway Public Corp.	200	5.875	99.352	Mar.2000	0.3/0.15	LTCB International
STERLING						
Royal Insurance Holdings	100	9.625	99.87	Mar.2003	2/1.6	Barclays de Zoete Wedd
NHL No.2‡(a)	70	(a)	99.95	Jun.2030	0.875/0.375	Goldman Sachs Int.
NHL No.2‡(b)	35	(b)	99.9	Jun.2030	0.875/0.375	Goldman Sachs Int.
CANADIAN DOLLARS						
Republic of Austria	300	7.75	100.925	Mar.2003	2/1.675	JP Morgan Securities
Rabobank Nederland	125	7.25	100.875	Mar.1998	1.875/1.625	Wood Gundy
AUSTRALIAN DOLLARS						
SAFA(c)	100	7.75	101.05	Apr.1998	2/1.25	Hambros Bank

Final terms and non-callable unless stated. ‡Floating rate note. a) Tranche A1. Coupon pays 3-month Libor + 0.85% for first 2 years and + 2% thereafter. Callable at par on step-up date and on coupon dates thereafter. Average life: 1 year. b) Tranche B1. Coupon pays 3-month Libor + 1.1% for first 30 months and + 2.5% thereafter. Callable at par on step-up date and on coupon dates thereafter. Average life: 2 years. c) Borrowers full name: South Australian Government Financing Authority.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:05 pm on February 25

U.S. DOLLAR STRAIGHTS — Issued, Bid, Offer, Chg. day, Yield; OTHER STRAIGHTS — Issued, Bid, Offer, Chg. day, Yield; DEUTSCHE MARK STRAIGHTS; FLOATING RATE NOTES; SWISS FRANC STRAIGHTS; CONVERTIBLE BONDS; YEN STRAIGHTS

[illegible]

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn=The current coupon.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	17	46	14
Other Fixed Interest	3	1	11
Commercial, Industrial	244	271	901
Financial & Property	176	61	538
Oil & Gas	18	13	53
Plantations	0	0	8
Mines	29	21	89
Others	66	13	39
Totals	553	446	1,653

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+or-	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price £	+or-
[illegible]							

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+or-
[illegible]							
520	Nil	19/3	67pm	64pm	Warner-Swain	67pm	
40	Nil	11/3	40pm	33pm	PizzaExpress	33pm	
25	10p	1/3	23	22	Property Trust	23	
17	Nil	31/3	¼pm	¼pm	SelecTV	¼pm	+¼
140	Nil	6/4	28pm	27pm	Triplex Lloyd	28pm	
345	Nil	9/3	70pm	55pm	Vols	65pm	-1
330	Nil	18/5	47pm	34pm	Yorkshire Chemicals	40pm	-1

a Annualised dividend. b Figures based on prospectus estimates. g Assumed dividend and yield. u Earnings based on preliminary figures. n Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1993. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Issued by way of rights. ı Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium. ¶ Units comprising 1 ord. and 1 new pref. share.

TRADITIONAL OPTIONS

● First Dealings Feb. 22
● Last Dealings March 5
● Last Declarations June 3
● For settlement June 14

3-month call rate indications are shown in Saturday editions.

Calls in Avesco, Costain, Cupid, Hartstone, Microvitec, Monument Oil & Gas and Taylor Woodrow. Puts in Airtours, Avesco and Costain. Doubles in William Cook, Costain and Premier Cons.

FT-SE ACTUARIES INDICES

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LIFFE EQUITY OPTIONS

Option		Calls			Puts		
[illegible]							
Trafalgar (*78)	70	12	15	18	3	5½	7
	80	8½	9½	22½	6	11	16
Utd. Biscuits (*367)	360	18	26	29	15	26	32
	390	6	11	17	44	48	50
Unilever (*1208)	1200	34	68	83	35	51	59
	1250	13	38	58	69	81	88
Option		May	Aug	Nov	May	Aug	Nov
Brit Aero (*267)	260	31	43	50	25	32	41
	280	22	35	43	35	44	53
Barclays (*419)	390	35	38	47	18	21	30
	420	16	26	33	34	36	40
Blue Circle (*225)	220	24	25	28	10	24	29
	240	6½	15	20	22	35	41
British Gas (*289)	280	14	19	24	8	13	17
	300	4	9	14	14	25	28
Dixons (*220)	220	13	22	26	9	17	25
	240	4½	13	19	21	28	36
Eurotunnel (*500)	500	25	52	67	23	47	62
	550	8	31	47	62	77	90

EURO FT-SE INDEX / FT-SE INDEX options: [illegible]

Puts								
Mar	8	15	29	51	87	129	177	227
Apr	22	35	50	73	103	140	181	227
May	36	50	68	91	121	153	191	233
Jun	50	63	80	104	132	164	200	241
Dec †	97	-	135	-	180	-	235	-

February 25 Total Contracts 24,838
Calls 17,836 Puts 7,002
FT-SE Index Calls 1,885 Puts 1,783
Euro FT-SE Calls 691 Puts 761
*Underlying security price † Long dated expiry months
Premiums shown are based on closing offer prices.

FT-ACTUARIES FIXED INTEREST INDICES

	PRICE INDICES	Thu Feb 25	Day's change %	Wed Feb 24	Accrued interest	xd adj. 1993 to date
	British Government					
1	Up to 5 years (24)	129.52	-0.03	129.56	1.36	1.72
2	5-15 years (22)	148.42	.....	148.42	1.52	2.85
3	Over 15 years (8)	156.84	+0.07	156.73	1.46	1.80
4	Irredeemables (6)	177.64	-0.30	178.18	2.37	1.12
5	All stocks (60)	144.73	.....	144.73	1.66	2.28
	Index-Linked					
6	Up to 5 years (2)	183.40	+0.08	183.26	0.08	1.51
7	Over 5 years (12)	171.61	-0.04	171.69	0.69	0.87
8	All stocks (14)	172.04	-0.03	172.09	0.62	0.96
9	Debs & Loans (66)	127.31	-0.15	127.50	2.07	1.86

	AVERAGE GROSS REDEMPTION YIELDS		Thu Feb 25	Wed Feb 24	Year ago (approx.)
	British Government				
1	Low	5 years	6.59	6.60	8.53
2	Coupons	15 years	7.82	7.80	9.08
3	(0%-7¾%)	20 years	8.12	8.12	9.08
4	Medium	5 years	6.91	6.89	9.34
5	Coupons	15 years	8.32	8.32	9.14
6	(8%-10¾%)	20 years	8.49	8.49	9.11
7	High	5 years	7.07	7.06	9.57
8	Coupons	15 years	8.59	8.59	9.23
9	(11%-)	20 years	8.67	8.67	9.17
10	Irredeemables (Flat Yield)		8.57	8.54	9.28
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	2.02	2.04	3.56
12	Inflation rate 5%	Over 5 yrs.	3.48	3.48	4.28
13	Inflation rate 10%	Up to 5 yrs.	1.15	1.17	2.08
14	Inflation rate 10%	Over 5 yrs.	3.30	3.29	4.09
15	Debs &	5 years	8.65	8.61	10.85
16	Loans	15 years	9.42	9.39	10.61
17		25 years	9.64	9.62	10.44

Contribution from Sun Life nearly doubled to £36.7m

TransAtlantic slips to £60.7m

By Richard Lapper

TRANSATLANTIC Holdings, the property and life assurance group which obtained a London stock market listing last year, yesterday announced a marginal fall in pre-tax profits from £61.2m to £60.7m for the year to December 31.

Earnings per share fell to 9.93p compared with 14.52p in 1991, reflecting increases in the amount of unrelieved advance corporation tax and reduced interest capitalisation.

A recommended final dividend of 6p raises the total for the year to 12p, against 11.45p in 1991.

TransAtlantic is owned jointly by Liberty Life, the South African life assurance company, and Union des Assurances de Paris, France's largest insurer. It owns 50 per cent of Sun Life Holdings, the UK life insurer, and Capital & Counties, the property company.

Mr Donald Gordon, chairman, said he was "especially encouraged by the performance of Capital & Counties' regional shopping centre property portfolio, which has demonstrated strong signs of buoyancy both in turnover and an improved market share of retail trade".

Donald Gordon: especially encouraged by the performance of Capital & Counties' regional shopping centre property portfolio

Income from property investment amounted to £67.9m (£60m), while proceeds from property trading were £3.5m (£2.2m). Administrative expenses fell to £11.7m (£12.6m). Income from Sun Life nearly doubled to £36.7m (£18.7m).

Interest payable amounted to £35.7m, against £7.4m in 1991, reflecting a significant reduction in interest capitalised on property development projects from £32.4m to £11.6m, principally because interest capitalisation ceased at June 30 1991 on the Thurrock Lakeside Shopping Centre development.

Share capital and reserves increased from £775m to £948m. The value of investment properties rose to £1.05bn (£1.01bn), with the advance reflecting a large rise in the valuation from £325m to £380m of Thurrock Lakeside, which amounts to 40 per cent of TransAtlantic's property portfolio.

Special assumptions were made about the exceptional turnover rent potential of the Thurrock development. £25.9m of the increase was due to exchange rate fluctuations.

Separately, Sun Life yesterday reported a 12 per cent increase in pre-tax profits to £46.7m (£41.7m), although new premium income fell marginally to £1.49bn compared with £1.5bn in 1991. New single premiums amounted to £1.4bn (£1.41bn), with regular premiums falling by 3 per cent to £85.6m.

Inchcape completes resources withdrawal

By Catherine Milton

INCHCAPE, the motor and business services group, yesterday lost another link with its colonial past as Inchcape Berhad, its 63 per cent owned Singapore-based subsidiary, sold its timber offshoot to local investors for £24m.

The move completes Inchcape's withdrawal from resources operations.

In 1991 it sold its tea investments and is now almost exclusively focused on its core motor, marketing and services businesses, apart from the odd country club and time share operation, acquired in March 1992 when it bought TKM, funded by a £376m rights issue.

Inchcape Timber Group has operations in Malaysia, Indonesia, Papua New Guinea, Singapore and Hong Kong and is involved in the extraction of tropical hardwood and softwood logs, and the processing and trading of timber products.

Inchcape's interest in timber stretches back to the 1860s.

The company incurred a pre-tax loss of S$200,000 (£83,875) for the 1992 year on turnover of S$198.1m.

Inchcape said that the sale would result in an extraordinary profit of £3.5m, less expenses.

The sale is conditional on regulatory approval.

ITG's trading profit had declined in the last three financial years following the expiry of its main logging concession, the difficult operating environment at the new logging concession in Papua New Guinea between 1990 and 1992, and recessionary conditions in the main timber markets, Inchcape said.

Mr Charles Mackay, chief executive, said: "The deal is a good one for Inchcape in both strategic and financial terms. At the same time, it will ensure a good future for the partners, management and employees in the timber business."

Weak pound helps Micro Focus rise 23% to £22.3m

By Andrew Adonis

AIDED BY the weak pound, Micro Focus, the Newbury-based software company, maintained its record as one of the UK electronics sector's strongest performers with profits up 23 per cent and a cash reserve of £53m.

Pre-tax profits for the year to January 31 were £22.3m (£18.1m), with turnover ahead 21 per cent to £67.7m (£55.9m).

The results were in line with City expectations and the shares closed down 80p at £25.15. At their peak last month they reached £29.98, after a steep ascent from 800p at the start of 1991.

Earnings per share, fully diluted, increased by 28 per cent to 106.2p (83.1p).

Most of the company's cash is held in dollars, the strength of which helped to increase reserves to £52.9m at the end of January, 71 per cent up on January 1992.

Mr Paul O'Grady, chairman, did not rule out an acquisition this year, but said it was unlikely.

Micro Focus supplies software tools for programming in Cobol, internationally the most widely used data processing language. Shipments of Workbench, its leading package, were 29 per cent up, with maintenance accounting for 21 per cent of direct revenues.

More than 40 per cent of the company's stock is now held in American Depositary Receipts and another 5 per cent in other forms of US stock. The group is traded on New York's Nasdaq market and has a foreign private issuer status with the US Securities and Exchange Commission. More than half of revenue comes from the US.

Mr O'Grady said that despite the depressed market he expected Micro Focus to "maintain or exceed its current growth rates," with the company's new 32 bit technology released this year "the foundation of our product strategy".

Growth in direct sales of software products was up 25 per cent in dollar terms, accounting for 80 per cent of total revenues. Sales to original equipment manufacturers were up 6 per cent. Contracts renewals included Data General, Motorola, Hitachi, Fujitsu, Siemens-Nixdorf and Bull.

Staff numbers rose to 613, up from 445 two years ago. Average revenues per head are up from $382 to $580.

● COMMENT

Micro Focus continues to dazzle a depressed electronics sector. Analysts expect the rate of increase in US earnings to slow slightly this year, but growth of 20 to 25 per cent remains impressive. With research and development spending up by nearly a third and a cash mountain of £53m – which its chairman insists just lets him "sleep easily at night" – nothing is being left to chance. Both the direct marketing of its software tools, and its maintenance contracts, offer sound prospects for medium-term growth. Pre-tax profits are forecast to rise from £26.4m to about £34m for 1993, equal to earnings per share of 157p. With a prospective multiple of 16, it does not appear overpriced, although no change in dividend policy is expected.

Expansion in UK market planned

By Richard Lapper and Vanessa Houlder

TRANSATLANTIC Holdings, the financial services group, is gearing up for expansion in the UK.

"We intend to increase our exposure in the UK insurance market and increasingly in the insurance markets of the English speaking world," said Mr Donald Gordon, the South African life insurance entrepreneur who chairs the company.

Mr Gordon said a number of larger UK insurance companies were "looking for a big brother" and that TransAtlantic was aiming to acquire a business in the "larger end of that market. The bigger they are, the better the bargain."

Union des Assurances de Paris, the state-owned French company, which owns 18 per cent of TransAtlantic, was particularly keen to expand in UK non-life business where increases in premium rates are leading to improved profitability after three years of losses. The two companies jointly own Sun Life, one of the UK's largest life insurance companies.

However, Mr Gordon ruled out any interest in Guardian Royal Exchange, the UK composite with which he has had long-standing links. GRE sold part of its South African subsidiary, Guardian National, to Liberty Life in 1978, but retains a 51 per cent interest in the company. Mr Gordon is a member of the GRE board. "It is not part of an agenda I have for myself. It would get too close to being incestuous."

Mr Gordon also delivered some sharp criticisms of UK valuation techniques, which he claimed exacerbated the downturn in the property market. They were "particularly inappropriate" for high quality shopping centres such as Thurrock Lakeside, he said.

Valuations of UK property depend on past property sales, since they are based on the price that the property could be expected to fetch if it were placed on the market by a willing seller. Mr Gordon argued that this process was flawed in the case of large shopping centres because they were hard to compare with each other and were rarely sold.

Furthermore, he claimed that "no rational company or person would . . . be a willing seller of a major, high potential regional shopping centre or any other prime property in the depths of serious recession."

Future valuations for the entire industry could be affected by forced sales or a price obtained by a liquidator or receiver, he said. Valuation techniques "may have played a part in exacerbating the downward spiral of values in recessionary conditions and the upward movement in valuations in boom times."

He claimed that valuers were wrong to value high street shops more highly than shopping centres, which he said had better prospects for income growth. If Thurrock Lakeside had been valued on a 6 per cent yield, like many high street shops, it would increase its valuation by £45m to £425m.

Mr Gordon's criticisms of open market valuation techniques were dismissed by Mr Andrew Cherry, head of the assets valuation standards committee of the Royal Institution of Chartered Surveyors. Banks were only willing to lend against the open market value of property, he said. "At the end of the day, a property is worth what someone is willing to pay for it."

Exploration and production side lifts Royal Dutch/Shell

By Deborah Hargreaves

PROFITS AT Royal Dutch/Shell, the international oil group, were boosted by an exceptionally good result from the company's exploration and production division, but depressed by the first annual loss in a decade from its chemicals business.

Sir Peter Holmes, chairman of Shell Transport, the group's UK arm, said that although the oil price had dropped by $4.50 a barrel since 1990, the company's exploration business had increased production and cut costs to report an improvement in profit from £1.44bn to £1.85bn.

During 1992, Shell saw its oil production increase by 3 per cent to 2.2m barrels a day (b/d) – the highest level since mid-1970s – with gas sales also up by 3 per cent.

Tony Andrews

Sir Peter Holmes: refining margins too low for plant renewal

In the fourth quarter, the company increased its profits from exploration and production from £391m to £682m in what analysts called an "unusual" result, part of which is attributable to a lower tax bill.

Shell's refining and marketing operations showed a slight improvement on 1991 with profits rising to £1.24bn (£1.16bn) largely on the back of stronger sales in the Far East market.

Sir Peter said that refining margins in Europe and the US were too low to encourage the renewal of old plant.

In the fourth quarter, the company's refining and marketing division reported a profit of £278m compared with £251m in the same quarter of 1991.

Chemicals, which suffered from a continued downturn in the market for bulk products and persistent over-capacity, reported a loss of £223m compared with a profit of £23m.

In the final quarter of last year the loss reached £188m compared with losses of £90m.

Earnings per share increased to 32.5p against 24.9p and Shell declared a final dividend of 12.6p (12p) to lift the total for the year from 20.9p to 21.9p – a rise of 4.8 per cent.

Shell has maintained its strong financial position with net debt at £2.4bn and its debt to equity ratio at 7 per cent.

Aberdeen declares Brabant offer final

By Peggy Hollinger

ABERDEEN Petroleum yesterday declared final its hostile all-share offer for fellow USM company Brabant Resources with the publication of an offer document and annual results showing pre-tax profits up by £277,000 to £355,000.

The group's shares rose 13 per cent on the news to close at 15p. Brabant's shares held steady at 37p.

The profits increase was achieved on the back of lower overheads and an exceptional gain of £201,000 on asset disposals. Sales, dampened by the fall in the average oil price from $18.05 to $16.94, declined from £2.9m to £2.6m.

Mr David Hooker, Aberdeen's managing director, said the group's profits were the result of getting the "housekeeping right".

Referring to the bid for Brabant, he said that future substantial growth for many small UK-quoted oil and gas companies depended on rationalisation in the sector.

Aberdeen's offer document drew attention to the losses incurred at Brabant and its "historic lack of success" in the exploration field.

Aberdeen, which owns or has undertakings for 21.4 per cent of Brabant, claimed that the bid of 35 of its shares for 10 of Brabant's valued the target at 48.1p. This represented a 75 per cent premium over Brabant's price the day before Aberdeen indicated its interest, the document said.

However, Mr Nicholas Gay, Brabant's finance director, said the valuation was based on an inflated Aberdeen share price, "supported by bid speculation".

Using the 6p price for Aberdeen on December 7, Mr Gay said the bid valued Brabant shares at 21p.

Analysts have speculated that if the offer for Brabant, which is largely UK based, does not succeed, then Aberdeen will become the target of an aggressive approach from Pittencrieff.

Pittencrieff earlier this week increased its stake in Aberdeen from 16.6 per cent to 19.1 per cent. The acquisitive resources company is determined to expand both in the US and Canada, where Aberdeen's assets are based.

Macro 4 shares jump 23p as profits rise 29% to £4.9m

By Andrew Adonis

SHARES IN Macro 4 jumped 23p to 633p after the software group lifted profits by 29 per cent in the six months to December 31.

Profits before tax went up to £4.94m, against £3.83m, on turnover ahead 27 per cent at £11.2m (£8.83m). Nearly 80 per cent of sales are overseas.

Earnings per share rose to 14.8p (11.5p) and the interim dividend goes up to 6.27p (5.14p).

For the last full year to June 30 the group declared a special dividend of 5p on top of a final of 12.75p. Mr Terry Kelly, chairman, said he hoped to see a final dividend "similar" to last year, with performance for the second half expected to be "slightly better" than last year.

With 40 per cent of its business in the US, the group was helped by the depreciation of sterling. Mr Kelly said business in the US and south-east Asia was recovering but UK, Australian and Scandinavian business remained "flat at best."

The cash position improved by £600,000, with reserves of £16.2m at the end of the period.

A Spanish subsidiary established last October is expected to break even this year.

London Forfaiting rises by 20% to £18m

By Roland Rudd

THE EXPANSION of its international network helped London Forfaiting, the specialist trade finance house, report a near 20 per cent increase in pre-tax profits, from £15.1m to £18.1m, in 1992.

Forfaiting is the provision of trade finance through fixed rate loans, which are sold at a discount to banks and international companies.

The company increased its presence in the US and Far East, and last month opened an office in the Czech Republic. Some 80 per cent of its revenue is generated overseas.

Mr Peter Buckley, chairman, said the international base would continue to be widened.

The final dividend is increased to 5.5p for a total of 8.4p (7.625p). Earnings per share rose to 13.75p (11.52p).

Because of his increasing executive commitments with Caledonia Investments, Mr Buckley is standing down as chairman in favour of Mr Jack Wilson, chief executive. Mr Stathis Papoutes, managing director, is to become chief executive.

Computer Management expands to near £10m

By Alan Cane

COMPUTER Management Group, the privately-owned computing services company, saw pre-tax profits improve by 4.7 per cent to £9.52m in 1992 as a result of careful housekeeping, higher interest income and strong foreign earnings.

The company now derives 60 per cent of its sales from overseas, chiefly the Netherlands, where according to Mr Ronald White, chairman, the market continues to grow strongly.

Revenue was £116.2m, a 12.8 per cent improvement over last time's £103m. Operating profit was £9.01m (£9.07m).

Earnings per share increased to 41.3p (39.8p).

The group intends to seek a market listing.

Smaller Cos Trust assets edge ahead to 84.07p

Net asset value of the Smaller Companies Investment Trust edged ahead from 82.86p to 84.07p over the 12 months to December 31.

Net revenue amounted to £478,000 (£405,000) for earnings of 3.19p (2.7p) per share.

A recommended final dividend of 1.4p brings the total for the year to 2.6p (2.5p).

NEWS DIGEST

Reshaped Dunkeld in black

DUNKELD Group, the clothing manufacturer which recently completed a financial restructuring, turned in a pre-tax profit of £2.45m for the year to November 30.

That compared with a deficit of £17.5m last time and was struck on turnover almost halved from £36.5m to £19.7m. However, last year's profits were restated to conform with the FRS 3 accounting standard and included some £10m of restructuring costs.

At the operating level, profits amounted to £1.24m (£4.43m losses), of which continuing operations contributed £1.53m from turnover of £17m.

The reconstructed group now has two trading divisions, shirts and swimwear, both of which traded profitably in 1992.

Earnings per share came out at 3.16p (29.21p losses).

Bellwinch cuts deficit to £97,000

Bellwinch, the Wembley-based builder, incurred a pre-tax deficit of £97,000 for the six months to December 31, against a loss of £385,000 last time.

Turnover was down slightly, from £6.01m to £5.44m, reflecting the continuing lack of volume in the housebuilding market, with completions in the period amounting to just 60 units against 61 for the comparable period.

Interest payable fell to £63,000 (£500,000). Losses per share came out at 0.6p (11.7p).

Flogas moves ahead 12% to I£3.2m

Pre-tax profits at Flogas, the Drogheda-based liquid petroleum gas company, rose 12 per cent from I£2.86m to I£3.2m (£3.34m) in the six months to December. Turnover was slightly lower at I£22.4m, against I£22.5m.

Earnings per share rose to 10.93p (9.54p) and the interim dividend is unchanged at 2.94p.

Green Property advances 39%

Green Property, the Dublin-based property developer and investor, improved pre-tax profits by 39 per cent to I£1.83m (£1.9m) in 1992 against I£1.32m. The company has implemented the new financial reporting standard, FRS 3, which, it said, had reduced profits by I£370,000 (I£381,000).

Net rents and other operating income rose to I£5.32m (I£4.71m).

An unchanged final dividend of 2.6p maintains the total at 3.8p, payable from earnings per share of 7.68p (8.02p).

Honeysuckle ahead to £601,000

Honeysuckle Group, the USM-quoted designer of women's wear,lifted pre-tax profits from £589,000 to £601,000 in the half year to November 30, although turnover fell to £8.83m (£11.11m).

Mr David Serr, chairman, said that spring 1993 orders had been 30 per cent up on last year and forward orders for next winter also showed 30 per cent growth.

Accordingly, an interim dividend of 0.75p (nil) is declared, payable from earnings of 5.5p (4.7p) per share.

Contra-Cyclical indicates pay-out cut

Contra-Cyclical Investment Trust yesterday said that, due to the deterioration of dividend levels, it would recommend a reduced distribution for the 12 months to March 31 1994.

Sir Alan Walters, chairman, said: "We are disappointed that we have had to take this action which has been dictated by the current economic conditions. The revised dividend level is one which we believe can be sustained and which will do justice to the expectations of our other classes of shareholder."

The pay-out for the year was likely to be less than 9.5p per income share – "a base from which dividend growth should resume".

Directors stressed that the total dividend of 12.75p for the current year, as forecast in the prospectus, would be achieved.

Roxspur shows £343,000 loss

Roxspur, the USM-quoted playground equipment manufacturer, formerly Levercrest, incurred a pre-tax loss of £343,000 in the six months to November 30.

The outcome, struck after remedial costs of £195,000 and reorganisation charges of £94,000, compared with a profit of £1,000 last time. Interest took £59,000, against £51,000.

Turnover declined 20 per cent, from £2.45m to £1.95m.

Losses per share were 6.7p (earnings of 0.02p).

British Vita in two N American deals

British Vita, the polymer, fibre and foam company, is expanding its foam conversion activities in North America through two deals worth about £4.5m.

In the US, the Vitafoam subsidiary has acquired Tennessee-based Nabors Manufacturing Company, which has turnover of some $8m (£5.6m). In Canada, Vitafoam Products Canada has bought Pre Fab Cushioning Products, a Toronto-based foam conversion business with C$10m (£5.6m) turnover.

Scottish Investment asset value at 236.9p

The Scottish Investment Trust had a net asset value per share of 236.9p at January 31, against 217.3p at the October 31 year end.

Pre-tax revenue improved to £3.96m for the first quarter against £2.92m at the year end.

Colorgen slips back to $9,000

Colorgen, the US-based colour matching specialist traded on the USM, reported a fall in pre-tax profits from $83,000 to $9,000 (£6,300) in the half year to December 31. The result was affected by expansion costs.

Sales were up 50 per cent at $5.91m ($3.93m). Net income per share was 0.1 cents (0.5 cents).

Frank Usher advances 44%

The conversion of record orders from the autumn/winter 1992 collections into sales helped Frank Usher, the USM-quoted women's clothing group, report interim pre-tax profits up 44 per cent on sales ahead 21 per cent.

However, with the second half usually less profitable and the costs of the move to a new showroom falling due in the period, directors did not expect the results to match those of the first.

Profits for the six months to November 30 were £843,000 (£585,000) on turnover of £9.23m (£7.61m). Earnings per share were 8.2p (5.7p). The interim dividend is 2.5p (2p).

Murray Intl lifts dividend by 4.6%

Murray International Trust, managed by Murray Johnstone, is increasing its dividend for 1992 by 4.6 per cent, from 10.9p to 11.4p, with a final of 3.5p.

The trust also declared an interim of 8.1p for 1993, compared with a forecast 7.9p, and is forecasting a final of 3.5p.

Holders of the B shares will receive a scrip issue on the basis of 3.95679 shares for every 100 held on March 26.

Net assets at December 31 stood at £351.8m compared with £304.3m – equal to 293.3p (253.7p) per share.

Net revenue was £12.9m (£13.4m) – equal to 10.9p (11.31p) per share.

COMPANY NEWS: UK

Royal Insurance trims deficit to £119m

By Richard Lapper

ROYAL Insurance, one of the UK's largest insurance companies, yesterday announced a £20m increase in its reserves against possible employers' liability claims arising from industrial diseases such as industrial deafness and repetitive stress injury.

This indicates that the industry, hard hit by weather and recession-related claims in recent years, may soon face problems from a fresh source.

The decision, combined with news of heavier than expected losses at Royal Re, the reinsurance subsidiary, clouded an otherwise impressive performance by Royal Insurance during 1992, which saw pre-tax losses fall to £119m from £373m in 1991.

Royal, which omitted its dividend last year, declared a final dividend of 3p, making a total of 5p (11.25p).

The group also announced a £100m subordinated bond issue. The proceeds – like those from a £75m convertible issue launched in December – will be used to repay short term borrowings, lengthening the repayment profile of Royal's debt.

Royal has seen no increase in either notifications or actual claims on employers' liability business, but said that it was taking a more cautious stance in the light of the more "pro-active" stance being adopted by trades unions.

The group has a market share of employers' liability business of about 5 per cent, according to Mr Roy Elms, director of underwriting.

Mr Richard Gamble, chief executive, said that the £254m improvement in trading reflected a lower level of weather and domestic mortgage indemnity claims in the UK but was achieved despite three major weather catastrophes in the United States.

Improvements reflected "the new creed" of tighter underwriting controls, added Mr Gamble. "We don't write for market share. We write for profit."

Worldwide premium income fell to £3.42bn (£3.46bn), with life premiums dropping to £332m (£390m). The fall in general insurance income largely reflected exchange rate factors.

However in the UK the company reduced its exposures sharply in motor business (down 10 per cent) and motor fleet (down 8 per cent).

Underwriting losses fell to £558m (£887m), reflecting a decline in losses on domestic mortgage indemnity – which insure borrowers against a portion of their losses on the sales of repossessed property – losses from £257m in 1991 to £160m in 1992 and an improvement in most other lines.

Mr Gamble said that reserves against DMI losses were £367m at the end of 1992. Some £60m in claims was paid out during the year. The group had not increased its most recent estimate of potential DMI losses.

Claims frequency in motor business declined by 10 per cent, with UK underwriting losses in personal motor falling to £12m (£34m).

Underwriting losses fell in the US and at Royal International, but increased by £3m in Canada. Underwriting losses at Royal Re rose by £40m to £96m, largely as a result of increased claims from recent catastrophe losses such as hurricane Andrew in the US last year. Investment income fell to £486m (£492m), while income from associated undertakings dropped to £21m (£34m).

Estate agency losses rose to £33m, compared with a deficit of £19m in 1991. Costs associated with the restructuring of the network of offices by 67 to 517, more than outweighed the benefit of new cost controls, introduced by Mr Gamble.

Capital and reserves amounted to £1.5bn (up from £1.41bn), but would have fallen without exchange rate gains of £198m. The solvency margin – the yardstick which measures net assets as a percentage of non-life premium income – amounted to 42 per cent, compared with 40 per cent at the end of 1991.

See Lex

Advertising income up but circulation revenue improved to 46% of total

Telegraph shows 9% advance to £44.3m

By Raymond Snoddy

THE TELEGRAPH newspaper group, which floated last July, yesterday announced record pre-tax profits of £44.3m for 1992, an increase of 9 per cent despite the impact of the continuing recession on newspaper advertising revenues.

Mr Conrad Black, chairman of the Telegraph, which publishes both the Daily Telegraph and the Sunday Telegraph, admitted that the company had been apprehensive about 1992 because the recession showed so few signs of improvement.

However, group turnover rose by 8.3 per cent to £237.2m and operating profit increased by 14.7 per cent to £37.5m. The proposed final dividend is 6.5p, higher than indicated at flotation, and makes a total of 11p for the year, a 22 per cent increase. This excludes the special dividend of 10p paid before the company came to market.

Earnings per share have dropped by 6.3 per cent to 23.8p because of a doubling of tax charges mainly because tax losses flowing from restructuring charges have been used up.

Costs were contained during the year and advertising revenue rose by 4 per cent, but the percentage of revenue from circulation rose to 46 per cent of the total compared with 33 per cent in 198

There was also £5.9m income from associated companies. 90 per cent of from a 15 per cent stake in the John Fairfax group in Australia.

"Our policy has been fairly aggressive on price increases," Mr Joe Cooke, Telegraph managing director, said yesterday.

The money is then invested in promotion to try to improve the proportion of 15 to 34 year olds reading the paper.

A weekly 20-page Business News section will appear for the first time this Saturday. The new sector is designed to strengthen the Saturday paper and try to lure away some Sunday Times advertising.

The Telegraph will call an extraordinary meeting towards the end of next month to vote on the plan to buy a stake in Southam, the Canadian newspaper group.

Hollinger, which owns 68 per cent of the Telegraph, has bought 22.6 per cent of Southam and proposes to sell half to the Telegraph. The Audit Committee of the Telegraph, which includes directors such as Lord Hartwell, Lord Swaythling and Lord Rawlinson, will decide whether to recommend the purchase to the board.

● COMMENT

The Telegraph's performance is a real achievement in the depths of a recession, although papers such as the Daily Telegraph do engender considerable loyalty. If there is an significant upturn, particularly in classified advertising, a high proportion of the revenue will flow to the bottom line, helped by the tight cost controls. Pre-tax profits could be as high as £52m to £54m this year, giving earnings of about 27p for an unchallenging p/e of 13. Further ahead, the Southam deal, followed perhaps by US acquisitions, offer the prospect of enhanced growth.

Dixons enters computers superstores business

By Neil Buckley

DIXONS, the UK's largest electricals retailer, has entered the computer superstores business with the £8.5m purchase of Vision Technology Group.

VTG operates four PC World superstores in outer London at Croydon, Staples Corner, Brentford and West Thurrock. In the year to last August it made pre-tax profits of £400,000 on sales of £49.3m, after a charge of £400,000 relating to the cost of launching PC World.

A fifth store is due to open in Cardiff, south Wales, later this year.

Dixons said PC World represented the UK's first chain of specialist out-of-town computer superstores – a concept widely developed in the US.

"We are very excited about it," said Mr Stanley Kalms, Dixons' chairman. "It gives us a running leap into this business and we are buying out a competitor who is doing very well."

Mr Kalms said PC World catered for more sophisticated customers looking to replace and upgrade existing systems, rather than the families and first-time computer buyers served by Dixons and Currys.

He said Dixons hoped quickly to establish market dominance in this sector, and planned to open up to 30 PC World stores within 3 years. Each store was likely to cost about £1m.

Ensor raising £1.5m to cut debt

By Peter Pearse

Ensor Holdings, the USM-quoted building materials and motor group, is raising about £1.5m through a rights issue and capital subscription.

Recent losses – £2.1m in the six months to September 30 – have prompted "strong demands" from the group's bankers to reduce debt by means of disposals.

Ensor has agreed with Mr Kenneth Harrison, formerly chairman and chief executive of Harrison Industries, that he will underwrite the rights issue and subscribe for 10.4m shares.

He will be invited to join the board as chairman and managing director.

The rights shares are offered on a 3-for-5 basis at 10p each.

Gascoigne sale helps to quadruple Spurs' profits

By Jane Fuller

TOTTENHAM Hotspur, the north London football club, made the bulk of its first-half profits from selling players.

The pre-tax figure multiplied fourfold to £3.28m (£810,000) in the six months to November 30. More than half the £15.1m (£9.22m) sales came from the disposal of players, including £5.5m for Paul Gascoigne.

The share price, which had shot up from 90p to 113p this week, shed 12p to close at 101p as profits were taken.

With Mr Alan Sugar, chairman, owning 48 per cent, and Mr Terry Venables, chief executive, 22 per cent, not much of the stock trades freely.

Turnover other than player sales fell to £6.9m (£7.36m). Mr Sugar said there had been fewer home fixtures in the first half and average attendance was down because of the recession. The newly formed Premier League had enhanced television and sponsorship income.

Tottenham cut its bank overdraft to £2.41m, compared with £4.29m in May. Its debts peaked at about £15m in 1991, before a rescue rights issue underwritten by Mr Sugar.

To comply with the Taylor report requirement for all-seater stadiums, Tottenham is about to spend £2m on its North Stand. Second half prospects have been improved by Spurs winning through to the quarter finals of the FA Cup.

Earnings per share rose to 19.2p (8p).

Woolwich Building Socy turns in rise to £149m

By John Gapper, Banking Correspondent

WOOLWICH Building Society, the fourth largest with assets of £23.3bn, yesterday disclosed a 9.5 per cent rise in pre-tax profits to £149.3m, compared with £136.4m, despite doubling its provisions for possible bad debts in the depressed housing market.

Woolwich made new provisions of £144.7m (£72.4m), raising its total provisions to £207m. About 40 per cent of the rise in provisions was estimated to relate to the Town & Country Building Society, with which it merged last May.

The society achieved a fall in its cost to income ratio to 50.7 per cent (59.9 per cent). Mr John Wriglesworth, analyst at UBS Phillips & Drew, said he believed this was the biggest single year fall achieved by a large building society.

Mr Donald Kirkham, chief executive, said about 9 per cent of the society's 541,000 borrowers were in arrears. The number of properties taken into possession fell to 3,364 (3,788). Town & Country added 400 repossessions to its stock.

The society declared an exceptional loss of £17.9m from restructuring costs, and a £8.5m exceptional profit from tax reclaimed from the Inland Revenue after litigation.

The aggregate net losses of the society's subsidiaries were reduced to £24m (£30m). It managed to halve the trading loss in its estate agency subsidiary to £11m after closing 55 branches during the year and making 200 staff redundant.

Surrey Building rescue plan

By John Gapper, Banking Correspondent

THIS YEAR'S first proposed rescue of a loss-making building society was announced yesterday when the Surrey Building Society unveiled plans to merge with the Northern Rock.

The Surrey said it expected to declare a small pre-tax loss for 1992.

With five branches in the south-east of England, it had been affected by the severe downturn in the housing market. A transfer of engagements to Northern Rock made "a great deal of sense".

The Surrey will offer its 8,900 shareholders a bonus payment of 0.75 per cent gross on completion of the transfer.

The proposal will be put to a special meeting to be held at the same time as its annual meeting in April.

Northern Rock, which has assets of over £6bn compared with the Surrey's £79m, disclosed a 37 per cent rise in pre-tax profits for 1992.

Owners refutes claims

By Richard Gourlay

OWNERS Abroad yesterday aimed to refute claims made during the hostile bid from rival holiday group, Airtours, ahead of its final defence document which due to be produced today.

Owners said it had not included details of a £6.5m contingent liability with its preliminary results because it was not usual practice to do so.

The liability, in any case, related to the possibility that London properties vacated as part of the reorganisation of the group in Crawley would have to be carried for the full period of their leases.

Owners had taken full provisions of £1.7m for two years, covering rental and other costs up to the time of their anticipated disposal.

Owners said that contrary to what Airtours claimed, it had provided £7.5m for additional payments for the acquisition of Olympic and Extrawelcome holiday companies that might fall due.

It also said it had £40.9m of distributable reserves in the group, of which £8.8m was currently held in the parent company. There was no legal restriction on subsidiaries making the balance distributable.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
British Gas	fin	7.8	July 7	6	14.2	10.25
Plogas	int	2.94♣	Mar 26	2.94	-	7.92‡‡
Gartmore Value	int	0.9525♥	Mar 31	0.925	-	4.275
Green Property	fin	2.6♣	-	2.6	3.8	3.8
Honeysuckle §	int	0.75	-	-	-	1
Hotspur Invs	fin	6.6	Mar 25	6.6	6.6	6.6
ICI	fin	34	Apr 29	34	55	55
Inv Tst Guernsey	fin	1.56	May 13	1.44	2.2	2.04
London Forfait §	fin	5.5	Apr 21	5	8.4	7.625
Macro 4	int	6.27	May 4	5.14	-	12.75‡
Merlin Int Green	fin	1.1	Mar 31	1.65	2.1	3.15
Murray Intl	fin	3.5	May 24	3.4	11.4	10.9
Murray Intl	int	8.1	-	7.9	-	11.4
Prov Financial	fin	19.25†	Apr 29	16.5	28.5	25
Royal Insurance	fin	3	May 4	nil	5	11.25
Shell Transport	fin	12.6	May 17	12	21.9	20.9
Smaller Cos Inv	fin	1.4	Apr 26	1.3	2.6	2.5
Telegraph	fin	6.5	May 12	-	11	-
TransAtlantic	fin	6	Apr 29	-	12	-
Usher (Frank) §	int	2.5	Apr 1	2	-	6

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ‡Excludes special 5p. ♣Irish pence. ♥Third interim making 2.8575p to date. ‡‡For 13 months.

Provident Financial shows 30% advance

By John Gapper, Banking Correspondent

PROVIDENT Financial, the personal loan and consumer finance group, yesterday announced a 30 per cent rise in pre-tax profits for 1992 after a year of extensive restructuring in its main consumer credit business.

The company also announced a 16.6 per cent increase in its final dividend to 19.25p (16.5p), making a total of 28.5p (25p).

It will propose a 5-for-2 split of its 25p ordinary shares at the annual meeting.

Pre-tax profits rose to £44.5m compared with £34.1m. There is an extraordinary loss of £1.9m because of a goodwill writeback of £4.2m on selling its Car Care Plan (Holdings) and People's Motor Finance businesses.

Mr John van Kuffeler, chief executive, said the "excellent" performance was achieved despite unemployment and a lack of consumer confidence. The changes from company restructuring would produce continuing benefits in the coming year.

He said closure of retail operations and most merchandising activities had been offset by a "significant expansion" in the underlying loan and insurance businesses.

Mr van Kuffeler said the company had been advised to make a share split because the rise in the price of its shares made them more difficult to trade.

Provident's shares yesterday closed up 20p at 794p.

Provident's main business is a £400m portfolio of weekly collected credit.

It offers unsecured loans, the majority to tenants on council estates, on which it charges high rates of interest to compensate for collection costs and risk.

During the year, it closed its Lawson Fisher business offering goods on credit in 14 stores. It also ended the catalogue goods business of its HT Greenwood offshoot and closed a network of warehouses for retail goods.

It also reduced its network of branches from over [illegible]00 to 380 while cutting staff levels. Its force of local loan payment collectors was cut by [illegible],200 to 4,200.

The insurance division raised profits to £5.4m (£900,000). Its Halifax Insurance operation expanded policy holders by 40 per cent to 400,000 at the year end. It expanded its supporting network of brokers to over [illegible],000.

The banking division made a profit of £1m (£1.5m loss) partly through cost cutting. The number of branches was reduced from 13 to 6. The company said there had been "a determined focus" on debt collection in motor finance.

Group turnover increased to £371m (£359m) and profit after tax and before the extraordinary item rose to £30.[illegible]m (£24.1m). After deducting £15.1m in paid and proposed dividends, it made a retained profit of £15.7m (£11.1m).

Earnings per share rose to 58.37p (46.63p).

Warmer weather, loss of market share and lower domestic prices blamed for downturn

Overseas side helps stem fall at British Gas

By Deborah Hargreaves

BRITISH Gas saw profits in its core UK business decline by £276m in 1992 as a result of warmer weather, loss of market share and lower prices for the supply of household gas. But this was partly offset by an increase in earnings from the company's overseas divisions.

On 12 months' turnover of £10.25bn (£10.49bn) group pre-tax profits came out at £1.05bn, after exceptional charges of £320m, compared with £1.71bn.

Mr Philip Rogerson, British Gas's director of finance, pointed to a strong improvement in fourth quarter profits at the exploration and production division, where income doubled from £60m to £128m, following the increase in production at its South Morecambe bay field in the North Sea.

For the full year, exploration and production, where most revenues come from overseas, increased slightly to £224m compared with £221m.

The overseas gas supply business saw a rise in profits for the year to £137m, against £125m, following an increase in sales volumes abroad and a drop in the purchase price of gas. The rise came mainly in the fourth quarter, which accounted for £42m (£33m).

Trevor Humphries

Cedric Brown, chief executive (left) with Robert Evans (centre) and Philip Rogerson: the overseas divisions provided a welcome contribution and now account for 25 per cent of group profits

Mr Robert Evans, chairman, said the overseas divisions provided a "welcome contribution," to profits, accounting for roughly 25 per cent of the total. He hoped the two divisions would provide 60 per cent of profits by the end of the decade.

The profits of the UK gas business fell from £1.5bn to £1.2bn last year. Factors behind the decline were the warmer weather, which accounted for £140m of the drop; the squeeze on prices as a result of the tough new formula imposed by the regulator, leading to a fall of £50m; and the loss of market share in the industrial market, taking out £70m.

Non-gas costs also increased and pipeline revenues improved.

In the final quarter of 1992, the UK gas business showed a roughly stable profit of £626m, compared with £636m.

Earnings per share were 15.8p for the full year, compared with 27.3p. In the final quarter earnings per share were 5.4p (11.3p).

The company declared a final dividend of 7.8p, which made a total for the year of 14.2p – a rise of some 6 per cent from 10.25p for the previous 12 months.

Mr Rogerson said: "The policy of increasing the dividend in real terms and the ability to maintain it depends to a significant degree on the outcome of the MMC inquiry." British Gas is currently under review by the Monopolies and Mergers Commission.

The company had a net cash outflow of £1.5bn, slightly higher than analysts had forecast. This was chiefly because of heavier tax and dividend payments during the 12 months after changing the reporting period from the tax year to the calendar year.

British Gas's level of gearing rose to 33 per cent from 25 per cent.

ICI

1992 Group Results

Summary

ICI Group 1992 profit before exceptional items and taxation was £565m, compared with £789m in 1991, with the decline reflecting the continuing effects of recessionary conditions. In addition, the Group has taken exceptional charges of £949m before tax relating mainly to further planned restructuring activities including disposals and closures, write-downs of certain asset values, a re-assessment of environmental liabilities and the impact of the decision announced to recommend demerger. The Board of Directors has declared a second interim dividend of 34 pence to bring the total for 1992 to 55 pence, the same as in 1991.

	Fourth Quarter 1991* £m	Fourth Quarter 1992 £m	Year 1991* £m	Year 1992 £m
Turnover	3,046	3,148	12,488	12,061
Profit before exceptional items and taxation	120	34	789	565
Exceptional items	20	(931)	54	(949)
Profit (loss) before taxation	140	(897)	843	(384)
Earnings per £1 Ordinary Share				
– before exceptional items	9.5p	2.5p	69.2p	48.8p
– after exceptional items	11.9p	(125.1p)	76.4p	(79.9p)
Dividends per £1 Ordinary Share			55.0p	55.0p

*Restated in accordance with FRS 3

Chairman's Comments

In announcing the results, Sir Denys Henderson, Chairman of ICI, commented:

"Today we are making two announcements. The Board of Directors has unanimously recommended that ICI should now proceed to put to its shareholders formal proposals for the demerger of ZENECA. The demerger proposals, which will include a fund raising of approximately £1.3 billion by ZENECA, will, in the absence of unforeseen circumstances, be put to shareholders at an extraordinary general meeting in late May and subject to approval, would take effect shortly thereafter.

We are also announcing our results for 1992. With pre-tax profits before exceptional items down by 28% on 1991, the results reflect the very difficult trading conditions which we encountered throughout 1992. This recession, which has now lasted three years in the UK, has been one of the deepest since the 1930s. Nevertheless, a number of our businesses have put in a robust performance and in a year which was expected to be difficult, the Pharmaceuticals business achieved trading profit approaching £500m. Explosives produced another record result and Paints performance continues to be strong. Included in profits were £290m of benefits arising from the restructuring initiatives undertaken since 1990. These benefits are equivalent to over £350m of savings on an annualised basis and the Group is on target to achieve the £400m annual savings indicated at the start of the programme.

The 1992 pre-tax results include net exceptional charges totalling £949m. The great majority of these items have been charged in the fourth quarter of 1992. The earlier quarters' results have been revised to disclose separately gains and losses of an exceptional nature. This restatement is in accordance with the new Accounting Standard – FRS 3 – which ICI is adopting for its 1992 financial statements.

Much of the exceptional charge is directly attributable to meeting the changes taking place in the chemical industry, exemplified by our decision to proceed with demerger. It has been exacerbated by the recession and has resulted in the need for better focus, reductions in the cost base, write-downs in asset values and withdrawals from businesses through divestments and closures. This, together with increased environmental provisions and the costs of reorganisation, account for most of the exceptional charge. The Board considers the restructuring actions to be essential in order to enhance the future prospects of both ICI and a demerged ZENECA.

Gearing at year end was 39.8% compared to 31.8% in 1991, with the increase due to the recessionary effects on the Group profits, delays in planned divestments and the impact of the exceptional charge.

After careful consideration of the current trading environment and future prospects, the Board has declared a second interim dividend of 34 pence making a total of 55 pence for the year.

While signs of recovery from recession are patchy, lower interest rates, a more competitive pound, low UK inflation, some indications of the US markets picking up plus the major restructuring efforts which we have put in place over the last three years, including those announced today, should ensure a better year ahead for both ICI and ZENECA."

GROUP PROFIT AND LOSS ACCOUNT: 1992

The trading results of the Group for the year 1992, subject to completion of the audit, together with comparative figures for 1991 are set out below. The figures have been prepared in accordance with Financial Reporting Standard 3 and comparative figures restated.

Year 1991 Before Exceptional Items £m	Year 1991 Exceptional Items £m	Year 1991 Total* £m		Year 1992 Before Exceptional Items £m	Year 1992 Exceptional Items £m	Year 1992 Total £m
12,488	–	12,488	Turnover	12,061	–	12,061
1,006	–	1,006	Trading Profit	735	(664)	71
3	27	30	Income from associates	46	(19)	27
–	16	16	Profit (loss) on sale or closure of operations	–	(191)	(191)
–	–	–	Costs of reorganisation	–	(75)	(75)
–	11	11	Disposal of fixed assets	–	–	–
(220)	–	(220)	Net interest payable	(216)	–	(216)
789	54	[illegible]43	Profit (Loss) Before Taxation	565	(949)	(384)
(279)	–	([illegible]79)	Taxation	(200)	17	(183)
(19)	(3)	([illegible]2)	Attributable to minorities	(17)	14	(3)
491	51	5[illegible]2	Net Profit (Loss)	348	(918)	(570)
69.2p	7.2p	76.[illegible]p	Earnings per £1 Ordinary Share	48.8p	(128.7p)	(79.9p)

*Abridged results; full statutory accounts for the year 1991, together with an unqualified audit report, have been lodged with the Registrar of Companies.

Full Year – Before Exceptional Items

Group turnover in 1992 was £12,061m compared with £12,488m in 1991. The fall resulted primarily from lower selling prices (–1%) and the impact of divestments (–3%) partly offset by favourable exchange rates (+1%). In the UK, sales were particularly depressed with turnover £350m (14%) below last year's level.

In Pharmaceuticals, trading profits were £494m, down £44m due mainly to the effects of generic competition on 'Tenormin' in the United States, partly offset by higher sales of all other major products including 'Zestril', 'Diprivan' and 'Zoladex'. In Agrochemicals and Seeds, profits declined to £88m due to intense price competition in the United States and reduced volumes throughout Europe, reflecting both concerns over the restructuring of the Common Agricultural Policy and economic difficulties in Eastern Europe.

In the Specialty Chemicals and Materials segment, trading profit at £177m was similar to 1991 with reduced volume and lower prices being offset by the benefits from restructuring. Industrial Chemicals incurred a trading loss of £24m in 1992 compared to a 1991 profit of £135m, with the decline almost entirely due to reduced selling prices and lower volumes in the Chemicals & Polymers business. Tioxide's trading profit was broadly maintained with the benefits from higher volumes and stringent cost control being offset by lower prices. Due to the continuing recession in many countries, Regional Businesses lost £8m compared to a profit of £9m in 1991.

Earnings from associates at £46m were £43m higher than last year's level due to a reduction in the losses of the European Vinyl Corporation (EVC). Whilst the PVC market remained depressed, EVC benefited from lower feedstock prices from its parent companies.

Fourth Quarter – Before Exceptional Items

Group turnover in the quarter was 3% above 1991 due mainly to favourable exchange rates. Higher turnover in Continental Europe (+11%) and the United States (+5%) was partly offset by reduced sales in the UK.

Pharmaceuticals trading profit at £127m was £31m below 1991 due mainly to different US wholesaler purchasing patterns and the impact of generic competition in the US on 'Tenormin'. Agrochemicals and Seeds results were slightly better than in the prior year with exchange rate benefits offsetting reduced volumes.

Recessionary pressures resulted in lower profits in Specialties and Materials. In Explosives, profits were above last year's level with higher royalty income and improved results in Australia. Industrial Chemicals fourth quarter loss increased from £2m in 1991 to £49m in 1992 due primarily to Chemicals & Polymers which suffered from a poorer sales mix and lower prices to external customers and EVC. Tioxide's results were similar in the two periods.

GROUP PROFIT AND LOSS ACCOUNT: FOURTH QUARTER

The trading results of the Group for the fourth quarter 1992, subject to completion of the audit, together with comparative figures for 1991 are set out below. The figures have been prepared in accordance with Financial Reporting Standard 3 and comparative figures restated.

Fourth Quarter 1991 Before Exceptional Items £m	Fourth Quarter 1991 Exceptional Items £m	Fourth Quarter 1991 Total £m		Fourth Quarter 1992 Before Exceptional Items £m	Fourth Quarter 1992 Exceptional Items £m	Fourth Quarter 1992 Total £m
3,046	–	3,046	Turnover	3,148	–	3,148
173	–	173	Trading Profit	66	(621)	(555)
(4)	–	(4)	Income from associates	32	(19)	13
–	9	9	Profit (loss) on sale or closure of operations	–	(216)	(216)
–	–	–	Costs of reorganisation	–	(75)	(75)
–	11	11	Disposal of fixed assets	–	–	–
(49)	–	(49)	Net interest payable	(64)	–	(64)
120	20	140	Profit (Loss) Before Taxation	34	(931)	(897)
(40)	–	(40)	Taxation	(17)	13	(4)
(12)	(3)	(15)	Attributable to minorities	1	7	8
68	17	85	Net Profit (Loss)	18	(911)	(893)
9.5p	2.4p	11.9p	Earnings per £1 Ordinary Share	2.5p	(127.6p)	(125.1p)

Taxation

The tax charge for the year was £183m (1991 £279m) representing an effective rate of 35% (1991 35%) on earnings before exceptional items. The effective tax rate on the exceptional items reflects the impact of asset write-offs, tax costs of reorganisation, tax relief on rationalisation costs and a deferred tax provision covering timing differences on UK capital allowances to reflect the expected future tax position of the Group following demerger.

Dividends for 1992

The Board has declared a second interim dividend of 34 pence per £1 Ordinary Share, which the Annual General Meeting will be asked to confirm as the final dividend for 1992, payable on 29 April 1993 to members on the Register on 25 March 1993. This, together with the first interim dividend of 21 pence, makes a total dividend of 55 pence for the year. Including the imputed tax credit of 18.3 pence this is equivalent to a gross dividend of 73.3 pence for the year.

Trading Prospects

Although trading conditions in the early part of 1993 continue to be difficult, the Board believes that prospects for the full year are better than for 1992. Cost saving measures which have been underway since 1990, together with the effects of the actions covered by the exceptional items, will have a positive effect on the 1993 results of both ICI and ZENECA.

In addition, the proposed transactions with Du Pont (in relation to fibres and acrylics) and BASF (in relation to polypropylene and acrylics) are expected, subject to receipt of regulatory approvals, to be completed during the second or third quarters with a beneficial effect on ICI results.

1992 Annual Report

The company's Annual Report will be available at the company's registered office from 11 March 1993 and copies will be despatched to shareholders shortly thereafter.

Next Announcement

Trading results for the first quarter of 1993 will be announced on Thursday 29 April 1993.

IMPERIAL CHEMICAL INDUSTRIES PLC

The Iranian connection

Vanessa Houlder on a duo making its mark in London

Rotch Properties, the investment vehicle of the Iranian Tchenguiz family is one of the lesser-known property buyers to have emerged in the past three years of UK recession.

Rotch, and its 50 per cent-owned sister company Wyn-Ro Properties, has bought more than £100m of property in the past 18 months, taking its portfolio to about £400m. It says it will sign another £40m of deals in the next few weeks. "We think this is the best buying opportunity for 20 years," says Adrian Goldsmith, a Rotch executive.

Rotch, which is ultimately owned by a family-owned company incorporated in Panama, is run by two Tchenguiz brothers, Vincent and Robert, both in their 30s. Vincent, who used to work at Prudential Bache and Shearson Lehman Brothers describes himself as a financier; Robert is the deal-maker.

They started Rotch in 1982 with the help of a bank guarantee from their father Victor Tchenguiz, a wealthy property owner who fled Iran after the Shah's downfall in 1979. Their first purchase was a £50,000 flat in Marble Arch, London. They concentrated on residential development until 1985 when they bought an option on an old biscuit warehouse in Hammersmith, west London. Together with Scottish Amicable, they built a 215,000 sq ft office development, known as Windsor Plaza.

From 1988, they switched the emphasis to investment. Their biggest deal was the acquisition of Sea Containers House, a 420,000 sq ft building on London's south bank. This building and several others were later absorbed by Wyn-Ro, a company Rotch set up with Allied Lyons Pension Fund in 1989.

For a low-profile company, Rotch has demonstrated a taste for some high-profile deals.

Their most conspicuous and (for the moment) the least successful deal was the acquisition in mid-1991 of South Quay Plaza 3, a 210,000 sq ft building on the waterfront in London's Docklands. Wyn-Ro paid the receivers £37m, but secured a three-year rental guarantee from the banks.

For a low-profile company, Rotch has demonstrated a taste for some high-profile deals

Rotch dismayed the Docklands market by offering South Quay Plaza 3 to tenants at the (then) knock-down price of £10 a sq ft. The acquisition, which is still unlet, is described as "a mistake" by Vincent Tchenguiz. His brother, however, defends it as "the best building in the Docklands outside Canary Wharf. We are still keen on the Docklands," he says.

Another prominent and probably more successful deal was the acquisition of Lunar and Apollo House, a government-occupied building in Croydon for £46m, equivalent to a yield of 11 per cent. MEPC's decision to sell the building (on the grounds it had no growth potential) provoked criticism from Mr Harry Hyams, a large MEPC shareholder who thought the building had been sold for a bargain.

Rotch has also bought a string of smaller buildings in the past 18 months, in places as diverse as Dover, St Pancras, Brighton, Harrow, Plymouth, Liverpool, Birmingham and Barry, south Wales.

The aim of these acquisitions was to buy high-yielding property let to blue-chip tenants, the rental income of which would cover the debt. Tax factors also played a big part in these deals. Rotch believes that the tax benefits associated with the depreciation of plant and machinery are often undervalued.

The twin constraints on Rotch's acquisition programme are the difficulty of finding the right buildings and obtaining finance. "If the product and source of funds were there we would do another £100m of deals," says Vincent Tchenguiz.

The company's principle banker is Sanwa; GE Capital and Norwich Union have also been prominent sources of long-term funds. Rotch would like to attract more institutional funding.

"We are looking to refinance our borrowings through institutions rather than banks," says Vincent Tchenguiz. He would also like to raise some equity from the institutions and plans to seek a stock market listing in a couple of years.

Rotch borrows up to 100 per cent of the cost of its acquisitions, but it is unconcerned about the high level of debt it is amassing. "We are not worried about our gearing. You could be 200 per cent geared provided you have cash flow to support your debt," says Robert Tchenguiz.

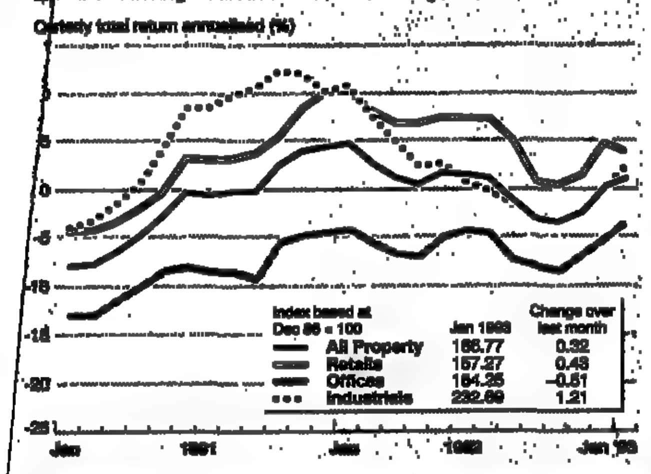
But Rotch's high gearing has resulted in the shrinkage of its net asset value during the steep downturn in the property market over the past few years. The combined net asset value of Rotch and Wyn-Ro was £143m in the year to May 1991. The Tchenguiz brothers say it has now fallen to £42m.

This valuation of its portfolio underestimates the true value of the buildings' income streams in the view of Vincent Tchenguiz, who is a critical of UK valuation techniques. He believes that once the current phase of forced sales is over, property yields could fall by between 30-40 per cent.

Property has lurched from a period of being over-valued to a period of being under-valued, he says. "Every period of exaggeration is followed by another period of exaggeration."

IPD monthly index for January

Quarterly total return annualised (%)



THERE WAS a hit of improvement in the market in January, according to the Investment Property Databank's latest monthly figures.

January saw the lowest monthly fall in capital values recorded since last June – by just over half a point – the result of a further outward shift in yields and the continued decline in rental values.

Total return for January stood at 0.2 per cent, an increase from the negative return recorded in December.

But the year-on-year results continued to fall. Rents fell by more than 10 per cent in the year to January, while capital growth and total return fell to -8.5 per cent and -0.per cent, respectively.

Offices and industrials showed a relative improvement in their monthly returns of four and five basis points respectively, while those for the retail sector remained static, at 0.3 per cent.

The industrial sector showed the strongest monthly return, beating retails for the first time since January 1992.

A slight deterioration in capital values, to -0.4 per cent, meant that total return for the retail sector remained at 0.3 per cent for the month.

Office values improved by about half a point in January, representing their highest monthly return since early 1990.

ANNOUNCEMENT
INVESTMENT OPPORTUNITY
(THE EGYPTIAN BOTTLING COMPANY)

THE FOODSTUFF INDUSTRIES HOLDING COMPANY, A COMPANY OWNED BY THE GOVERNMENT OF EGYPT, ANNOUNCES THE PROPOSED DIVESTITURE OF THE CAPITAL SHARES OF THE EGYPTIAN BOTTLING COMPANY, TOTALLY OR PARTIALLY.
THE EGYPTIAN BOTTLING COMPANY BOTTLES AND SELLS PEPSI COLA BRANDS IN MOST GEOGRAPHIC AREAS THROUGHOUT EGYPT.
THE COMPANY OPERATES EIGHT BOTTLING PLANTS AND OWNS A LARGE FLEET OF DISTRIBUTION TRUCKS. THE COMPANY ALSO PRODUCES ITS OWN METAL CAPS, WOODEN PALLETS, AND CARBON DIOXIDE. THE COMPANY'S 18 BOTTLING LINES HAVE A DESIGN CAPACITY OF 50 MILLION CASES PER YEAR. NET SALES IN THE LAST FOUR YEARS FLUCTUATED BETWEEN 70 TO 80 MILLION EGYPTIAN POUNDS PER YEAR. THE COMPANY IS PROFITABLE AND HAS COMPARATIVELY FEW OF LONG-TERM DEBT. PARTIES INTERESTED IN THIS UNIQUE OPPORTUNITY MAY OBTAIN THE MEMORANDUM OF INFORMATIONS DESCRIBING THE COMPANY, GENERAL CONDITIONS, AND NECESSARY DETAILS THROUGH:

GENERAL MANAGER - INVESTMENT
BANQUE DE CAIRO
30 RUSHDI STREET
ABDEEN
CAIRO
EGYPT
TELEPHONE:
(202) 3904354

or

ALI ABD EL RASHID
CHIEF OF COMMERCIAL SECTOR
THE FOODSTUFF HOLDING CO.
50 SALEM SALEM STREET
AGOUZA-GIZA
TELEPHONE:
(202) 348308

PURCHASING OFFERS SHOULD BE SUBMITTED TO THE HOLDING COMPANY IN SEALED ENVELOPES ON THE OPENING DATE, WEDN. MAY 5/1993 AT 11A.M. CAIRO TIME. OFFERS SHOULD BE WRITTEN IN BOTH ARABIC AND ENGLISH LANGUAGE AND ACCOMPANIED BY A BANK GUARANTEE REPRESENTING 2% (TWO PERCENT) OF THE OFFER VALUE. DOCUMENTS CONTAINING THE MEMORANDUM OF INFORMATIONS AND GENERAL CONDITIONS COULD BE DELIVERED EITHER FROM THE HOLDING COMPANY AND OR THE NATIONAL BANK OF EGYPT, BEGINNING MARCH FIRST, AGAINST PAYMENT OF A NON REFUNDABLE AMOUNT OF L.E. 5000 FOR EACH COPY.

National Westminster Bank
(Incorporated in England with limited liability)
USD 500,000,000 Primary Capital FRNs (Series "C")

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from February 26, 1993 to May 28, 1993 the Notes will carry an interest rate of 3⅞% per annum.

The interest payable on the relevant interest payment date, May 28, 1993 against coupon No. 30 will amount to USD 83.73 for Notes of USD 10,000 nominal and USD 837.33 for Notes of USD 100,000 nominal.

The Agent Bank
Kredietbank S.A. Luxembourgeoise

U.S.$900,000,000
Floating Rate Subordinated Loan Participation Certificates due 2000
issued by Salomon Brothers Aktiengesellschaft for the purpose of financing a subordinated loan to
The Mitsubishi Bank, Limited

Notice is hereby given that for the three months interest period from 26th February 1993 to 26th May 1993 the Certificates will carry a Coupon Rate of 3.4375% per annum.

Coupon payable on 26th May 1993 will amount to:
US$849.83 per US$100,000.00 Certificate and
US$8,498.30 per US$1,000,000.00 Certificate, respectively.

Mitsubishi Bank (Europe) S.A.
As Agent Bank

CENTRALE NUCLEAIRE EUROPEENE A NEUTRONS RAPIDES S.A. - NERSA
FRF 700,000,000
GUARANTEED FLOATING RATE NOTES DUE 1996
For the period February 25, 1993 to May 25, 1993 the new rate has been fixed at 12,10937% P.A.
Next payment date: May 25, 1993
Coupon nr: 14
Amount: FRF 2,937 for the denomination of FRF 10 000
FRF 29,371 for the denomination of FRF 100 000
THE PRINCIPAL PAYING AGENT
SOGENAL
SOCIETE GENERALE GROUP
15, Avenue Emile Reuter
LUXEMBOURG

AKRANES & BORGARFJORDUR HEATING CORPORATION
USD 100,000
Floating Rate Notes due 1995

In accordance with the terms and Conditions of the Notes, notice is hereby given that for the Interest Period from February 26, 1993 to August 31, 1993 the Notes will carry an Interest Rate of 3⅝% per annum.

The Coupon Amount payable on the relevant Interest Payment Date August 31, 1993 will be: USD 17,760.42 - USD 1,000,000 Principal amount of Note

THE AGENT BANK
Kredietbank S.A. Luxembourgeoise

BANQUE NATIONALE DE PARIS
ECU 90,000,000
Floating Rate Notes due 1996
Notice is hereby given that the rate of interest for the period from February 26th, 1993 to May 28th, 1993 has been fixed at 9.6875 per cent per annum. The coupon amount due for this period is ECU 244.88 per ECU 10,000 denomination and is payable on the interest payment date May 28th, 1993.
The Fiscal Agent
Banque Nationale de Paris (Luxembourg) S.A.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 25.02.93: Pool purchase price £/MWh	Final Prices for Trading on 23.02.93: Pool purchase price £/MWh	Pool selling price £/MWh
0030	19.47	18.66	18.66
0100	27.05	21.66	23.18
0130	27.05	27.02	28.76
0200	27.05	27.02	28.71
0230	25.16	21.66	23.13
0300	24.46	21.66	23.18
0330	24.17	21.66	23.14
0400	23.69	18.47	18.47
0430	21.79	17.86	17.89
0500	20.20	17.77	17.77
0530	22.28	18.18	18.18
0600	22.22	18.26	18.26
0630	22.42	18.60	18.60
0700	22.63	21.66	23.39
0730	23.99	22.48	24.02
0800	24.31	23.07	24.62
0830	23.99	23.07	24.61
0900	25.08	23.07	24.61
0930	25.08	25.18	26.75
1000	27.05	27.28	28.92
1030	25.08	27.28	28.92
1100	25.08	25.18	26.74
1130	25.08	25.18	26.74
1200	27.05	25.18	26.74
1230	27.05	25.18	26.74
1300	27.05	23.48	25.00
1330	24.88	23.07	24.61
1400	24.88	19.53	19.53
1430	24.88	19.36	19.36
1500	24.31	19.31	19.31
1530	22.96	19.31	19.31
1600	22.96	19.31	19.31
1630	19.61	19.32	19.32
1700	22.96	27.05	28.69
1730	24.31	27.31	28.90
1800	25.50	27.31	28.89
1830	27.13	27.28	28.86
1900	27.13	27.27	28.84
1930	27.12	25.39	26.94
2000	28.20	24.66	26.20
2030	25.11	24.66	26.21
2100	25.11	21.90	23.37
2130	27.05	21.90	23.38
2200	27.05	21.86	23.34
2230	27.05	18.63	18.63
2300	19.17	18.65	18.65
2330	18.26	18.12	18.12
2400	18.26	17.62	17.62

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved two places to the left, eg £16.66/MWh becomes 1.666p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by NGC Settlements Limited. Anyone wishing to receive such information should telephone 0602-456789 between 8:30am and 5:15pm Monday to Friday.
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SPAIN

The FT proposes to publish this survey on
March 15 1993
It will be seen by 92% of the professional investment community in financial institutions across Europe.*
For a full editorial synopsis and advertisement details please contact :

Richard Oliver in Madrid
Tel: 557 0909
Fax 577 6813
or write to him at :
Financial Times
Serrano, 58 28001 Madrid

Alternatively contact
Kirsty Saunders
One Southwark Bridge,
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Data source:* European Institutional Investors 1987

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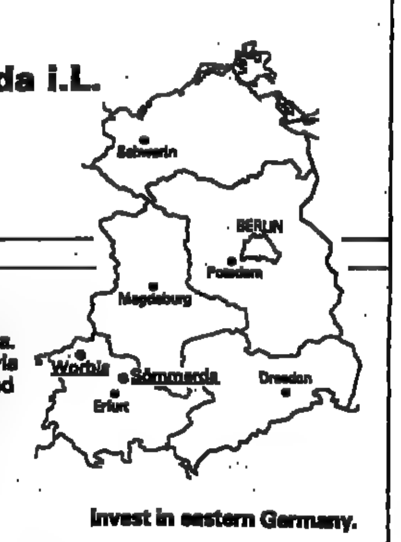
CONTRACTS & TENDERS

Treuhandanstalt
Industrial sites for sale in Germany
Robotron Büromaschinenwerk AG Sömmerda i.L.
Weißenseer Straße 52, O-5230 Sömmerda
In the Federal State of Thuringia.

The creation of new jobs as well as an investment guarantee is expected.



Location 1
O-5230 Sömmerda

Sömmerda Industrial Park Concept:
An industrial park is being developed on the grounds of the Robotron Büromaschinenwerk AG in Sömmerda. We are selling real estate to investors from all industrial and commercial sectors and will survey new plots to meet investor's wishes. Significant investments by residing firms have already contributed to the solid infrastructure. New investors needs will be carefully considered in the park's future development plan.

Buildings and Grounds:
The total area covers ca. 380,000 m² of which about 65,000 m² is not yet developed. The structures on the property, which include office buildings, warehouses and production facilities, were built between 1930 and 1990 and are no higher than four stories. There is an on-site rail connection.

Location:
30 km northwest of Sömmerda (pop. 25,000) is Erfurt, the capital of Thuringia. Good traffic connections are possible via federal highway B 176. Erfurt is located on the A 4 Dresden-Frankfurt/Main highway and has a regional airport with daily connections to Berlin and other major cities.

Location 2
O-5620 Worbis

Buildings and Grounds:
The total area covers ca. 15,000 m². A portion of the property (3,870 m²) has been developed for industrial use. There are administrative buildings and production facilities available which were built between 1975 and 1990.

Location:
The production facility in Worbis (pop. 4,600) is located on the B 247 and B 80 highways, and is approximately 80 km northwest of Sömmerda.

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Please contact Dr. Lemke, telephone: 49-36 34/4 29 70, fax: 49-36 34/214 79 to arrange an appointment to visit the site.

Further information about bid submission can be obtained from the Treuhandanstalt, Direktorat U4A, Telefax: 49-30/3154-2903 Attn: Ms. Abel.

Closing date for all bids: 23 April 1993, 12:00 p.m., at

Liquidator
Dr. H. Hess, Attorney at Law
Mittlere Bleiche 16
W-6500 Mainz
Telephone: 49-61 31/28 50-0

COMPANY NOTICES

CLAL FINANCE N.V.
US $20,000,000 GUARANTEED FLOATING RATE NOTES 1994
The interest applicable to the above notes in respect of the interest period commencing 26th February 1993 will be 5⅝% per annum. The interest amounting to US $28.42 per US $1,000 principal amount and US $284.17 per US $20,000 principal amount of the notes will be paid on 31st August 1993 against presentation of Coupon No. 13.

BANK LEUMI (UK) Plc
Principal Paying Agent
bank leumi בנק לאומי

CONTINENTAL (BERMUDA) LIMITED
US$250,000,000 Floating Rate Notes due 2006 Guaranteed by Hungarian Foreign Trade Bank Ltd
Notice is hereby given that for the Interest Period 26th February, 1993 to 28th May, 1993, a period of 91 days, the Rate of Interest will be 5.25 per cent per annum. The Interest Amount payable on the Interest Payment Date 28th May, 1993 will be US$3,317.71 for each Note of US$250,000.
Agent Bank
Dean Witter Capital Markets International

GENERAL MOTORS CORPORATION
NOTICE IS HEREBY GIVEN that resulting from the corporation's declaration of a dividend of $0.20 (gross) per share of the common stock of the corporation payable on the 10th March 1993 there will become due in respect of the bearer depositary receipts in gross distribution of 2.00 per cent per unit. The depositary will give further notice of the sterling equivalent of the net distribution per unit payable on and after the 15th March 1993.
All claims must be accompanied by a completed claim form and USA tax declaration obtainable from the depositary. Claimants other than UK banks and members of the Stock Exchange must lodge their bearer depositary receipts for marking. Postal claims cannot be accepted. The corporation's annual report for 1992 will be available upon application to the depositary named below.

Barclays Bank PLC
Stock Exchange Services Department
168 Fenchurch Street, London EC3P 3HP

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مكتبة الأصل

JOBS: Although emotions affect people's performance, no one knows much about how they work

Even boredom can be a surprise

DO you happen to be bored out of your skull? If so, then although the Jobs column will make every effort, perking you up is likely to prove a struggle. The reasons, if we are to believe German researchers Reinhard Pekrun and Michael Frese, are twofold.

The first is what's technically called mood-congruence. Memory tests show that people in a happy mood tend to be best at recalling happy things, and sad folk sad ones. So presumably anyone who starts out bored will be mentally predisposed to find anything that happens more wearisome still.

The second reason why you'll probably resist my struggles is that the very topic of boredom is boring, even to psychologists. Although there is clearly a lot of it around in the workplace and elsewhere, hardly any of them have bothered to study it.

Still, such research as they've done is not without surprises. For example, while it seems tediously obvious that people in crassly monotonous jobs will function like zombies, that is not always so. On occasion, they are almost super-humanly productive.

A possible explanation is that deary tasks sometimes go beyond merely boring us into a stupor, and goad us into exasperated action. Shrinks have now noted the difference in their jargon. They use the term "boredom" only for the stupefying kind, calling the energising sort "satiation – a state of high arousal with a strong negative emotional content of resentment...."

Alas, whether you're satiated or just bored, the mood tends to persist. In particular, it has more sticking-power than the "positive emotions" like happiness that can slip away like wet soap in a bath.

Even they produce the odd surprise in a work setting, the German pair say*. Take decision-making for instance. Although positive emotion "seems to enhance an intuitive and holistic mode of thinking", it "can induce risk-aversion for higher risks" even while promoting a happy-go-lucky approach to lighter risks. By contrast, sadness apparently "induces more analytic, detail-oriented, narrowly focused ways of cognitive problem-solving and making decisions."

Yet when it comes to helping colleagues and customers, the opposite moods tend to have the same effect. If either happy or sad, compared with feeling some emotion between, we're more apt to help. Either way, too, the motive may be selfish: helping in hope of hanging on to slippery happiness on the one hand, or on the other in the hope of earning relief from our own sad mood.

Perhaps fortunately, however, that isn't sure. For the two Germans' prime finding is that what goes for boredom applies to emotions in general. Although they clearly have a marked effect on our work, they have been very little studied. Hence I'll return to them occasionally in weeks to come – unless readers would find it too boring, that is.

NOW to the table alongside giving extracts from Day Associates' latest three-monthly survey of pay and perks in City of London banks. Anyone wanting the full report – covering 283 jobs in 123 banks of various sorts and priced at £220 to those not taking part in the study – should contact Joe Clark at Suite 2.31, 75 Whitechapel Rd, London E1 1DU; tel (0)71-375 1397, fax -375 1723.

Limited to 16 managerial posts, the table starts with basic salaries. The lower quartile refers to the person a quarter way up from the foot of a ranking of all in the same type of job, the median to the person half way, and the upper quartile to the one a quarter way down from the top. Next comes the average salary, then the percentage of it typically received as a bonus. The last two columns show the percentage of the job-holders with cars, as distinct from car allowances which look to be coming into vogue, followed by the vehicle's average price.

*In *International review of industrial & organizational psychology*, 1992. John Wiley, £30.

SALARIES, BONUSES AND COMPANY CARS IN CITY OF LONDON FINANCE SECTOR

Position	Lower quartile £	Median salary £	Upper quartile £	Average salary £	Avge bonus %	Coy car %	Avge price of car £
Corporate finance head	95,000	104,250	133,745	122,678	22.8	63	24,310
Capital markets head	102,600	117,600	120,000	110,940	58.4	89	24,008
Fund management director	102,500	116,750	119,250	110,875	41.4	83	21,453
Eurobond trading head	85,000	97,500	130,000	100,156	51.9	80	19,115
Equity trading head	72,500	92,750	115,000	93,417	4.3	50	19,499
Bond sales head	78,000	90,000	100,000	87,743	23.2	91	19,072
Head of research	82,350	86,960	89,000	84,478	18.3	100	20,483
Private banking head	62,054	73,750	100,000	82,900	16.5	88	21,563
Chief fx dealer	62,000	81,000	85,600	79,251	19.1	86	17,717
Personnel director	60,000	72,405	81,900	76,826	16.5	100	18,167
Financial director	62,500	67,500	72,000	72,411*	11.8	82	18,885
Money markets head	56,000	64,520	80,000	66,965	31.2	90	17,702
Legal services head	54,400	62,000	80,448	64,131	34.8	80	18,504
D-P director	52,000	56,000	60,780	57,790	9.6	86	19,323
Credit manager	36,000	40,001	43,005	40,280	7.7	70	16,032
Customer services head	24,150	27,980	34,750	26,836	8.8	50	12,606

*Average inflated by one ginormous salary among the sample of 1.

FINALLY today – a rare job, offered by Paul Child of Kramer Westfield for a UK group he may not name. He promises to honour applicants' requests not to be identified to the employer at this stage.

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- Fascination with loss prevention, maturity, energy, practical intelligence and problem solving abilities are essential.

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ACCOUNTANCY COLUMN

Local authorities called to account in an age of competitive tendering

Andrew Jack on the new regime for public sector balance sheets

THE CHARTERED Institute of Public Finance and Accountancy may not bark often. But its new proposals for capital accounting by local authorities show that when it barks, it roars. And when it roars, it reveals sharp teeth.

Public sector treasurers and finance officials can expect a few sleepless nights ahead as they prepare for compliance with Cipfa's recommendations, which are likely to be in force for the 1994-95 financial year and which all will have to obey.

For the first time, local authorities will have to compile registers of fixed assets such as schools and equipment. Most will have to be shown on their balance sheets at current cost and regularly revalued. Depreciation charges will then be charged in their accounts based on these amounts.

Surprising though it may seem, local authorities have never been required to show fixed assets in their accounts in the past. The emphasis has been on showing outstanding borrowings on assets which were externally financed. Assets financed from internal resources or which are paid for have not been shown.

"Charges at the moment are inconsistent and arbitrary," says Mr Martin Evans, head of Cipfa's technical division. "The balance sheet is meaningless. At the moment you are comparing chalk and cheese."

The debate about capital accounting extends as far back as the existence of local authorities themselves. Municipal corporations at the turn of the century were debating the inclusion of depreciation of assets in their accounts rather than focusing simply on loan repayments.

But central government was always most concerned with controlling the amount of capital expenditure, says Mr Evans. That was reflected in its primary aim: to control the amount of borrowing. Local authority accounting developed accordingly, emphasising how assets were financed, not what they were or how they were used.

He argues that this was the result of a concern to restrict the level of borrowing and enforce repayment of any funds by local authorities – not a concern always shared by national government either in the UK or elsewhere around the world.

That has begun to change, with capital accounting now in place in the National Health Service and required by Direct Service Organisations running local authority services as a result of competitive tendering.

For the public sector in general, the most radical changes in accounting have only really happened in the last 15 years. Few have been as fundamental as this week's proposals, for which the immediate groundwork was laid nearly 10 years ago after a succession of previous reports which were issued and largely ignored.

Shortly after the Conservative government's election in 1979, Mr Michael Heseltine, the environment secretary, told a House of Commons select committee that the quality of public sector accounting was "abysmal".

He began an assault on accounting and auditing which led to the creation of the Audit Commission, the National Audit Office and the Financial Management Initiative, designed to improve accountability in central government.

The 1980 local government land and planning act required authorities to issue annual reports for the first time. But when the first reports came in, they only made clear to officials how impossible it was to compare the different figures.

By 1985, the government was threatening to impose detailed new accounting regulations. In the face of strong opposition, it allowed the Audit Commission and Cipfa to draft a code of practice, which was endorsed by the Accounting Standards Committee in 1987.

But Mr Evans says the guidelines essentially represented a codification of existing best practice rather than any significant change. Most important, it did not cover capital accounting – a problem identified in a letter to Cipfa from Mr Nicholas Ridley, the environment secretary at the time.

"We took the letter seriously," says Mr Evans. "Perhaps we should not have done so." A joint Cipfa and local authority working group studied the issue yet again, and came up with recommendations in 1990.

Its proposals included showing fixed assets on the balance sheet at current costs, with regular revaluations at least every five years.

The result, says Mr Evans, was that "all hell broke loose." Local authorities expressed concern over the costs, practicability and timing of the guidelines. But few could criticise the technicalities of its recommendations. Their primary concern was the difficulty and costs involved in changing their accounting systems, and paying for regular revaluations of fixed assets.

As a result, the threat of change was again prolonged. Cipfa ran a pilot programme in Solihull metropolitan borough council to study the potential impact of the new proposals, as well as smaller field tests in Croydon and Bury St Edmunds. The results were staggering.

Solihull had previously shown fixed assets in its balance sheet of £117m. Under the proposed system, these rose more than five-fold to £588m. Yet at the same time, the costs and time involved in implementation were not that significant – a total of 241 staff days.

That was possible partly because much of the information on assets was already available although never before collected centrally. The council also did not attempt to identify every last immaterial asset, and was able to apply standardised valuation procedures without the need to separately value each one.

Cipfa will not release the costs incurred by Solihull, but estimates that the total one-off charges for changing to the new system will be £6m for England and Wales, and a further £1m for local authorities across Scotland. There would then be about £1m across the UK each year for revaluations.

The relatively minor difficulties identified seem to stand in stark contrast to the costs experienced by implementation at short notice of the same accounting treatment by the National Health Service, partly incurred by its efforts to attempt to track down assets even with very low values.

After the consultation period closes in April, it is likely that Cipfa's guidelines – which have mandatory status – will be on schedule to be implemented from next year. But many might question the relevance of the changes.

"We think getting accounts right is important," says Mr Evans. "Accountability is at the heart of the public sector. Authorities should be demonstrating not just stewardship of assets but also how they are used."

Most important, he stresses that inclusion of assets and a depreciation charge against them will improve the quality of management.

"If you don't have to pay for assets you are not going to worry about how you use them," he says. "This will highlight the real costs of services. It brings local authorities as close into line with private sector practice as we can get."

The principal differences now between public and private sector will prove more difficult to change, since they are products of legislation restricting local authority accounting. These include the treatment of the housing revenue account.

Whether or not it was part of the reason for the change, the move to capital accounting will certainly aid comparisons in the move towards compulsory competitive tendering by local authorities. It may also allow a few more readers to make sense of the accounts for the first time.

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As a result of promotion a new Finance Director is required to lead the Finance function and build on achievements to date.
Southmead Health Services is a second-wave NHS Trust with a current annual income of £90m and employs 3300 W.T.E staff.
As an Executive member of the Trust Board the person appointed will contribute to the overall management of the Trust. Responsibilities will also include strategic financial planning, provision of financial advice and the maintenance of sound financial systems.
Candidates will need to be qualified accountants with several years experience at a senior level in a large organisation. This should preferably have included the health sector. Essential requirements are excellent communication skills, strategic vision and an ability to lead and motivate staff.

An information package is available from the
Director of Personnel,
Southmead Health Services NHS Trust,
Westbury-on-Trym, Bristol, BS10 5NB
(Tel: 0272-505050 ext. 2751).
Closing date: 19th March 1993.
We are an Equal Opportunities employer.

SOUTHMEAD HEALTH *Services*
A NATIONAL HEALTH SERVICE TRUST

Management Accountant

Combining technological research & development with the management of long-term projects and contracts, my client provides specialist services that are vital to the operation of their customers' industries. For the Finance function, the emphasis is on effective cost control based on meaningful, accurate and timely financial information.

Your brief is to lead a small team in a role that will make a real impact on the success of the business. Not only reporting expenditure and variances, you will identify emerging trends and, if necessary, put forward suggestions for appropriate action. Planning and budget monitoring over long timescales means using financial models to predict the effect of current developments on future plans. Confidence, strong communication skills and personal credibility will enable you to quickly establish effective working relationships at all levels in the company.

A 28–34 year old graduate and professionally qualified, your technical expertise will be matched by proven interpersonal skills. Your experience will have been gained in a constantly changing, project-orientated environment (such as scientific research, technology R & D, or Contracting) where controlling costs and commercial success are synonymous. Computer literacy is essential, as you will be developing practical, PC based tools for modelling and forecasting.

The breadth of exposure and opportunities for career progression are normally found only in much larger organisations; the excellent reward package includes full relocation assistance. Take the first step by sending a comprehensive CV (including remuneration details) to **Andrew Burke, Macmillan Davies, Colston Centre, Colston Street, Bristol BS1 4UX. Tel: (0272) 251351.**

Far more than just reporting

Oxfordshire

c. £30,000 plus car & benefits

Macmillan Davies

Group Financial Controller

South East c. £60,000 + Car

Our client is a highly successful and profitable plc, and is one of the UK's top 200 companies. It is entering a period of considerable change and as an integral part of this development, a Group Financial Controller is required.

The Group Financial Controller will report to the Group Finance Director and be closely involved in the de-centralisation of the finance function including the implementation and development of group reporting. Responsibilities will also include the preparation of statutory accounts, financial policies, and the provision of sound technical advice to the group's businesses. Close liaison with other financial managers will be important, in particular, the Divisional Finance Directors.

Candidates will be qualified accountants, aged 35-45, experienced in managing change with a successful record of financial mangement within large well controlled groups. Experience of co-ordinating and consolidating reporting to tight deadlines within a major plc environment is essential. High levels of professionalism, technical competence and communication skills are vital as are commitment to make a positive contribution to the development of the group.

Please write enclosing full Curriculum Vitae quoting ref 617 to:
Philip Cartwright FCMA, Riverbank House, Putney Bridge Approach, London SW6 3JD. Tel: 071 371 9191. Fax: 071 371 9478

CARTWRIGHT CONSULTING
FINANCIAL SELECTION & SEARCH

Financial Director

West Midlands £neg. + car + benefits

A highly successful, major computer services company seeks a dynamic professional to control, and direct the Group financial function, and to contribute to the Company's continuing development and growth.

Reporting to the Chief Executive you will actively contribute to Group wide strategic and operational decisions, to include acquisitions. With responsibility for Group Treasury, Group Consolidations, Taxation and statutory matters you will also take full responsibility for multi-subsidiary finance functions. Through the utilisation of computerised systems you will maintain rigorous financial and business controls.

FCA qualified and ideally in your mid to late thirties you will have proven your ability in a sales-driven, competitive organisation and have a strong commercial bias. Computer literate with IT strategy experience in an FMCG or distribution environment, a disciplined, logical, organised approach will ensure you have the stature and personal intellect required to inspire confidence at all levels.

If you live within acceptable commuting distance of South Birmingham, and can provide the professional impetus sought please send a full CV to our recruitment advisor: Neil Robertson, (Ref: 40009), MSL Group Limited, Quadrant Court, 50 Calthorpe Road, Edgbaston, Birmingham B15 1TH. Please list on a separate sheet any companies to which your details should not be sent.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

OIL AND GAS ACCOUNTING

Team leadership opportunity for an ambitious young accountant with an international energy company.

The company is an independent energy group with a well-established UK operation, based in London. Plans for future growth will increase the company's interests in the North Sea.

Reporting to the Accounting Manager, you will provide leadership to a team responsible for all aspects of joint venture accounting.

To be a candidate, you will be an ACA with two years post-qualification experience or will have other accountancy qualifications and first hand knowledge of oil and gas accounting. You will demonstrate strong managerial and communication skills and must be prepared to adopt a hands-on approach. The ability to work as part of a management team and adapt to changing circumstances is essential.

There are likely to be opportunities for future progression to a higher management appointment. The salary and benefits package is attractive and includes a company car.

To apply in confidence, please send your CV to:
**Tony Tucker, SMCL Oil & Gas Ltd,
2 Queen Anne's Gate Buildings,
Dartmouth Street, London SW1H 9BP.
Tel: 071-222 7733/Fax: 071-222 3445.**

SMCL
OIL & GAS RECRUITMENT

FINANCE DIRECTOR

Thames Valley based **c£35,000 pa + benefits**

Our client has an international reputation, built over many years, for supplying top quality consumer durables. A revitalisation of their long term strategy aimed at capitalising on new product, market and overall business opportunities, has created an exciting opportunity for a seasoned Finance Director who is keen to contribute at both the strategic and operational level.

A diverse and challenging range of responsibilities involve:

- **Planning for the sustained growth of branded goods**
- **Determination of effective pricing policies**
- **Evaluation of business development opportunities**
- **A major expansion of IT systems**

A formal relevant qualification should be supported by at least five years experience in a senior role within a manufacturing or distribution environment. Proven success in influencing business policy within a management team, well defined planning and strategic skills and sound commercial judgement are all considered to be essential. A high level of computer literacy and a sound knowledge of the direction, development and use of IT systems are necessary together with proven expertise in man management skills. Candidates must possess the ability to operate as a key element in a multi-disciplinary management team.

Salary level is likely to be around £35,000 pa and is offered together with a progressive range of benefits which include a company car.

If you feel you can quickly make a contribution to an organisation committed to growth, please send a comprehensive cv to:

Andrew Millhouse, Director,
The Scott Edgar Advertising Partnership Ltd,
Paragon House, 75 Farringdon Road, London EC1M 3JY.
Tel: 071-831 2981.

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MIDLANDS OPPORTUNITIES

East Midlands

FD to 35k + Car (FX)
ACA with 3 years min PQE gained in industry required for successful sub. of PLC. Must be commercial. Excellent prospects.

West Midlands

Divisional A/C to 30k + Car (FX)
Ambitious commercial ACA with 'hard nose' business acumen required for division of acquisitive PLC. Excellent prospects to F.D.

CVs to Andrew Grant
Nicholas Andrews
126 Colmore Row,
Birmingham B3 3AP

APPOINTMENTS ADVERTISING

appears every Wednesday & Thursday & Friday (International edition only)
For further information please call:
Andrew Skarzynski on 071-873 3607
Mark Hall-Smith on 071-873 3351
Tricia Strong on 071-873 3199
JoAnn Gredell New York 212 752 4500

London & Edinburgh Insurance Group

Finance Manager

Worthing, West Sussex **c £35,000 + Car**

Our client, London & Edinburgh Insurance Group, is a major player in the UK General Business Insurance Market and places reinsurance cover in national and international markets. Added support and strength comes from their immediate parent, ITT Hartford (one of the USA's largest insurance groups) and their ultimate parent, the ITT Corporation. An enviable reputation for security, continuity, innovation and high quality products and systems is well deserved.

A new management position has recently been created in the Outwards Reinsurance Division. Principal duties include:

- Supervision of the administration and processing for all the Group's Outward Reinsurance Programmes.
- Analytical review of the financial strength of reinsurers used by the Group.
- Managing the run-off of Paris and Madrid business.
- Cultivating and maintaining strong working relationships with Operating Divisional Management and Senior Personnel at brokers and reinsurers.
- Supervision of eight staff.

Reporting to the Divisional Manager, successful applicants must effectively combine the key attributes of leadership, team building, strong analytical and systems skills, and, above all, the resourcefulness to cope with change.

The ideal applicant will be an ACA with at least five years post qualification experience in the Insurance or Reinsurance industry. Language skills would be an advantage, but are not essential.

Apart from the comprehensive remuneration and benefits package (including relocation where appropriate), on offer is the opportunity to join a company where career progression and reward is not bound by convention, but based on merit, ability and innovation.

Interested applicants should write to:
Renny Hayes BA ACA at Michael Page Finance,
Cygnet House, 45-47 High Street,
Leatherhead, Surrey KT22 8AG.
Please quote ref:109.

MP

Michael Page Finance
Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Financial Controller

North West **c £30,000 + Car**

Our client is a successful division of a blue chip plc in the electronic and electrical engineering industry. They occupy an enviable position within their chosen marketplace and are well placed to take advantage of opportunities for growth.

They seek to strengthen their current management team through the appointment of a high calibre Financial Controller for their unit located in Greater Manchester.

Reporting to the General Manager and functionally to the Financial Director based in London, you will be a key member of the local management team.

You will assume total responsibility for the financial management of the unit and will be expected to contribute significantly to the implementation and enhancement of inventory control and planning systems.

Candidates, aged 28-35, will be qualified accountants who can demonstrate significant achievements within a manufacturing/project environment. In addition, you will need to demonstrate well developed interpersonal skills coupled with the confidence and maturity to make an impact at a senior level within the organisation.

Interested applicants should send a curriculum vitae to **Stephen Banks ACMA, at Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. Please quote ref: M14769.**

MP

Michael Page Finance
Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

INTERNAL AUDIT MANAGER

Northern Home Counties — to £50,000 plus car

In the last 20 years our clients have built a £1 bn multi-location Group by committing themselves to standards of excellence in business practice and customer service. The value of these concepts has been confirmed in the present harsh economic climate and the Group remains cash-rich and very profitable. However the continuation of this success demands on-going and rigorous analysis of the business to identify internal areas of risk and vulnerability and to ensure that adequate controls are in place and being properly implemented. An Internal Audit Manager is now to be appointed to manage this process with a qualified/experienced staff of 3/4. He or she will report to the Group Finance Director but will be expected to adopt a pro-active approach providing guidance to the Audit Committee of non-executive directors and to the main and subsidiary boards. The directors and senior management are a well-established, close-knit team and to contribute constructively in this environment the person appointed will need to satisfy demanding criteria. The culture is one of professionalism rather than 'instinct' and of teamwork rather than autocracy. The management style is informal. In addition to a personality 'fit' the person appointed will be professionally qualified and able to demonstrate first class technical skill in the design and operation of cost effective control systems in a fast-moving, customer-responsive environment. This exposure will have come either from a comparable role in commerce/industry or from recent experience as an Audit Manager in a substantial Big 6 office. The Group's ambitious plans and record of achievement should provide significant career opportunities. Preferred age is 35 - 45. Ref: 1738/FT. Send CV (with current salary and daytime telephone number) or write or phone for an application form to R. A. Phillips ACIS, 2 - 5 Old Bond Street, London W1X 3TB. Tel: 071 493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Finance Director - Plc

Business to Business Services

To £50,000 + package — Thames Valley

Imminent flotation necessitates appointment of top calibre FD to manage City/Investor relations and contribute to commercial strategy.

THE COMPANY
- Well run, profitable. Turnover £35m, c.2,000 employees.
- Consistent growth record both organic and by acquisition. Poised for flotation in June 1993.
- Expanding national and international business networks.

THE POSITION
- New appointment. Member of small executive team responsible for strategy formation.
- Key task to manage external City/Investor relationships during and post-flotation.
- Responsible for Finance, MIS and administration: team of 30.

QUALIFICATIONS
- Qualified, graduate calibre accountant aged 35-45.
- Plc experience and knowledge of the City essential.
- Pragmatic self-starter, capable of contributing strongly to the strategic and on-going development of the business.

Please reply in writing, enclosing full cv,
Reference SM0871
7 Shaftesbury Court, Chalvey Park,
Slough, SL1 2ER

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Slough 0753 819227
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Finance Director – Germany

Engineering **Package c. DM 300,000**

Our client, a publicly quoted Group, is a highly successful British based multi-national with substantial interests in Europe and the USA. They now have a requirement for a Finance Director for one of their major subsidiaries operating in the west of Germany.

Reporting to the Managing Director, the person appointed will be a key member of the management team with overall responsibility for the total finance function, incorporating treasury and taxation requirements. An important element of the appointment will involve a thorough financial review of all of the subsidiary's operations, including reporting systems and procedures.

Candidates, probably aged 35 to 45, will be qualified accountants preferably with a degree or MBA and will have worked in a senior financial role with a major multi-national. An excellent working knowledge of the German language and of the country is essential, supported by strong leadership qualities and first class technical and interpersonal skills. A thorough understanding of acquisitions and their subsequent integration into new reporting systems is a prerequisite.

This is a high-profile appointment with a major industrial and engineering materials manufacturer. Career development potential is excellent.

If you are interested, please send your Curriculum Vitae in confidence to Stuart W J Adamson FCA, Adamson & Partners Limited, 10 Lisbon Square, Leeds LS1 4LY quoting reference number 1070. Telephone 0532 451212. Fax 0532 420802.

ADAMSON & PARTNERS LIMITED
International Executive Search and Selection Consultants

ROBERT HALF & FINANCIAL TIMES INVITE YOU TO A FREE BUSINESS BREAKFAST

If you wish to attend any of the free Business Breakfasts, please write to your local office stating your company and job title.

Birmingham: Alison Hann at Robert Half, 63 Temple Row, Birmingham B2 5LS. Telephone: 021-643 1663.

Bristol: Jackie Bressington at Robert Half, 33 Wine Street, Bristol BS1 2BQ. Telephone: 0272 252572.

Manchester: Elaine Dooley at Robert Half, Brook House, Spring Gardens, Manchester M2 2BQ. Telephone: 061-236 0101.

Southampton: Sue Jenkins at Robert Half, 6 The Carronades, New Road, Southampton SO2 0AA. Telephone: 0703 233131.

London: Rachelle Nelson at Robert Half, Walter House, 418 The Strand, London WC2R 0PT. Telephone: 071-836 3545.

Surrey: Saraan Platt at Robert Half, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1EH. Telephone: 0753 857777.

ROBERT HALF
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THE HUMAN FACTOR

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EUROPE'S BUSINESS NEWSPAPER

SPREADSHEETS:

The Next Generation

In Birmingham on Tuesday 16th March 1993 at The Birmingham Botanical Gardens, Westbourne Road, Birmingham 8.00am - 9.15am

In Bristol on Thursday 18th March 1993 at The Grand Hotel, Broad Street, Bristol 8.15am - 9.30am

In Manchester on Tuesday 23rd March 1993 at The Ramada Renaissance Hotel, Blackfriars Street, Manchester 8.00am - 9.30am

In Southampton on Thursday 25th March 1993 at The Novotel, 1 West Quay Road, Southampton 8.15am - 9.30am

In London on Tuesday 6th April 1993 at The London Marriott Hotel, Grosvenor Square W1 8.15am - 9.30am

In Surrey on Wednesday 7th April 1993 at the Runnymede Hotel, Windsor Road, Egham, Surrey 8.15am - 9.30am

Spreadsheets have come a long way in the last 10 years. The most significant development is the type of problem users are trying to solve with spreadsheets. Initially restricted to ad-hoc projects, the use of spreadsheets has now developed into more periodic work such as monthly or weekly reports, planning, re-forecasts and market share analysis.

Spreadsheet expert Neil Hudspeth, European Brand Manager at Lotus Development Europe, looks at ten years of spreadsheet milestones and discusses why the change in the use of the spreadsheet has dictated the need to re-invent it.

Lotus retains its place in the forefront of spreadsheet development. The Lotus 123 has been the world's best selling software package for over a decade. Hudspeth reviews state-of-the-art Lotus Improv - the reinvented spreadsheet - and highlights how it benefits today's Finance Manager.

Neil Hudspeth will cover the following:

- Spreadsheet advances over 10 years
  - Multipage spreadsheets
  - Data access
  - WYSIWYG
  - Windows
- The need for a radically different spreadsheet explained:
  - Problems of viewing same data in different ways
  - Amending spreadsheets
  - Errors in spreadsheets
- An introduction to Lotus Improv
  - How it differs from traditional spreadsheets - dynamic views, multidimensional structure, item groups
  - How it benefits the Finance Manager - easy presentation, fewer errors, more value
  - Who should use it?
  - Does it replace Lotus 123?

Neil Hudspeth has over 10 years' experience in bringing the benefits of information technology to business managers and professionals. He has held a number of positions at Lotus including U.K. Product Manger for graphical spreadsheets and for cross platform spreadsheets.

Before joining Lotus, he held the position of Marketing Manager at Digital Equipment U.K. where he established a focus on solutions for the accounting function. Previous positions include marketing and professional services roles at Comshare Ltd where he installed a number of budgeting, planning and reporting systems for blue chip organisations.

Places at the Breakfast are strictly limited.

GROUP FINANCE DIRECTOR

Location: East Midlands **c £45,000 + Car & Benefits**

Hall & Tawse Group is one of the UK's top twenty construction groups, operating through 11 subsidiary companies within the UK. Hall & Tawse benefits from the financial stability of its parent company, Raine plc, which employs 3,000 people and has turnover in excess of £360 million. This is an excellent opportunity to join a Group which is well respected within its industry.

The Role

- Responsible to the Managing Director of Hall & Tawse Group for the financial management of the group. Key role in the achievement of corporate objectives.
- Full participation in the strategic development of the Group including acquisitions and disposals.

The Qualifications

- Qualified Accountant, 35 to 45, with broad construction related experience and a proven record of success at director level.

Please reply, enclosing full C.V. to:
Mr J W Barr
Head of Group Finance
Raine plc, Raine House
Ashbourne Road, Mackworth
Derby DE22 4NB

A subsidiary of Raine plc

HALL & TAWSE

Financial Controller

Unusual opportunity to head the Finance function of consumer goods company

Midlands **To £40,000 + Car + Benefits**

Our client is the major operating company of a leading global conglomerate, with a turnover of £1.7 billion. The company, which has offices throughout Europe, manufactures and distributes a range of products for consumer and commercial markets. The UK subsidiary has enjoyed substantial growth and success over the past three years.

Reporting direct to the UK Managing Director and heading a small team, the Financial Controller will have a genuinely broad-ranging role, encompassing all aspects of the finance function and related areas, including sales administration and stock control. As a key member of the management team, the appointee will be expected to play a major part in the efficient running of the company.

Qualified accountants in their thirties, candidates must have a minimum of three years' post-qualification experience in an industrial or commercial environment. We are looking for the unusual combination of a hands-on approach and attention to detail, with the ability to "see the big picture" and make a major contribution at a senior level. Strong interpersonal skills and an international outlook will also be necessary qualities.

Interested applicants should send a detailed **CV to the address below, quoting reference number 174J and providing details of current remuneration.**

GKRS
SEARCH & SELECTION
CLAREBELL HOUSE, 6 CORK STREET, LONDON W1X 1PB.
A GKR Group Company

CORPORATE FINANCE

LEADING INTERNATIONAL INVESTMENT BANK

Our client is one of Europe's leading international investment banking and asset management groups. The Group's pre-eminent position in UK and international corporate finance activity is founded on a highly successful and professional team approach and on a first-class domestic and international client list.

We are looking to recruit a number of young executives of the highest calibre, who can rapidly become effective members of our client's highly motivated advisory team, based in London.

Successful applicants, aged 23-28, are likely to include:

- **Recently qualified chartered accountants with an excellent academic and professional record, including first time passes in all accountancy examinations**
- Recently qualified solicitors
- MBA's, Strategic Management Consultants or other professionals with relevant experience

These challenging positions require initiative, flexibility, excellent communication skills and a demonstrable commitment to a career in investment banking.

Our client offers, in return, a highly competitive remuneration package with outstanding opportunities for career development.

Interested applicants should telephone **George Corbett** on 071-379 3333 (Fax 071-915 8714) or write enclosing a detailed CV, to **Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.**

ROBERT WALTERS ASSOCIATES

LONDON WINDSOR BIRMINGHAM BRUSSELS AMSTERDAM PARIS

ROYAL OPERA HOUSE

DIRECTOR OF FINANCE AND RESOURCES

The Royal Opera House is to make a key appointment at Main Board Level.

Answering to the General Director, the successful candidate will take charge of financial and resource planning for The Royal Opera House and its member companies, developing and maintaining a comprehensive financial strategy, supervising systems to control expenditure and costs, and working to promote efficiency and economy throughout the House.

Candidates should be able to demonstrate a record of successful finance management in a major organisation, and the aptitude to take on a broader range of responsibilities.

The position requires the talents of a qualified accountant, highly motivated, experienced in computer systems, who works well under pressure, and can build good working relationships with creators and managers from different disciplines. A feeling for the arts and an understanding of the artistic process will be distinct advantages.

Salary by negotiation. Please send a letter of application and a full CV, to arrive by 15 March 1993, to Jeremy Isaacs, General Director, The Royal Opera House, Covent Garden, London WC2E 9DD.

THE ROH AIMS TO BE AN EQUAL OPPORTUNITIES EMPLOYER

PRIORITY
SERVICES
UNIT

We are an equal opportunities employer and encourage flexible working practice.

PRIORITY SERVICES UNIT

DIRECTOR OF FINANCE

Work with us to develop a new NHS Trust for Priority Services

Salary is negotiable from £36,000 to circa £40,000 with a shadow trust appointment. (Additional attractive executive package of benefits also negotiable.)

THE ROLE
This Finance Director has a key role to play in ensuring a state of readiness for Trust Status which we are preparing for with effect from 1st April 1994.

An executive post responsible for the financial viability and stability of the Unit/Trust, you will ensure financial managerial effectiveness across all services, and also lead and develop the Finance Directorate.

THE SERVICES
The Unit provides services via Clinical Directorates for a population of 260,000 and employs 1900 staff. Contract income is £32m with an asset valuation of £27m.

Services are provided in three main business areas: Primary Care, Mental Health and Care of the Elderly with subsidaries of Childrens Services, Sexual Health and Therapy Services.

THE DETAILS
We are looking for a qualified Accountant with a proven track record of financial responsibility at a strategic level. NHS/Public Sector experience is not essential.

Closing Date: 8 March 1993

Interested candidates should contact our recruitment adviser Don Leslie of Beament Leslie Thomas Recruitment Consultancy, 107-111 Fleet Street, London EC4A 2AB, enclosing a detailed CV. Telephone enquiries: 071-353 5606.

KETTERING HEALTH AUTHORITY

We operate a 'No smoking' policy which limits smoking to designated areas.

MAJOR FINANCIAL INSTITUTION
SAUDI ARABIA

These are two outstanding opportunities to join an established professional organization in Riyadh which is playing a major role in expanding the Kingdom of Saudi Arabia's industrial base by providing finance for the development of the private industrial sector.

Management Consultant (Finance)

c.US$50,000 + substantial benefits

Your principal responsibilities will include:

- Investigating financial performance of projects.
- Improving systems for financial control, accounting, costing, and management information for a wide *variety of manufacturing operations.*
- Consulting with clients to enhance project performance.
- Training and developing associates and client staff.

The ideal candidate will be a highly motivated, mature and professionally qualified accountant with a *minimum of* three years' post-qualification experience in a large auditing firm and at least seven years' experience in *management and systems consulting incorporating* structured training. Hands-on experience in the development and implementation of advanced costing systems and the selection and installation of automated information systems in a manufacturing environment is essential. Knowledge of Arabic would be advantageous. Candidates aged under 40 may not have the breadth of experience required. **Ref: R2420/FT.**

Auditor **c.US$38,000 + substantial benefits**

Your principal responsibilities will include:

- *Planning,* performing and supervising capital cost audits.
- Investigating financial statements and assessing business performance.

The ideal candidate will be a Chartered Accountant (CA) *or Certified Public Accountant (CPA) with a university* degree in accounting or business administration and a minimum of four years' experience gained with a large public accounting firm during which you have planned, performed and supervised complex audits, preferably in the manufacturing sector. The ability to use personal computers is essential and some travel within the Kingdom will be involved.

Able and willing to train and develop Saudi nationals, you *must be mature, well-motivated and flexible.* Although the working language is English, a knowledge of Arabic would obviously be an advantage.
Ref: R2421/FT.

Basic salaries, according to experience, will be paid free of tax in Saudi Arabia. In addition, an excellent benefits package will be offered, on a married or single-status basis, which includes •performance and end-of-contract bonuses •free housing •leased car •generous leave fare provision •free medical treatment •overseas schooling and student travel benefits •first-class recreational facilities.

These contract appointments, initially for two years and renewable by mutual agreement, represent excellent *opportunities for both significant involvement in a* country's industrial development and substantial capital accumulation.

Interviews will be held in London in mid-April.

Please reply as quickly as possible with a full cv, indicating current compensation level, which will be forwarded direct to our client. Address, quoting the appropriate reference, to **PA Consulting Group,** Advertising and Communications, 123 Buckingham *Palace Road, London SW1W 9SR. Fax: 071-333 5050.*

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Creating Business Advantage
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LLOYD MANAGEMENT

'Achieve Results'

FINANCIAL DIRECTOR

London

to £40,000 + car

Our client is a long established firm of shipbrokers and agents providing a comprehensive range of services.

This high profile role offers considerable scope to instigate change and make a real impact on financial and general management. The initial priority will be to improve efficiency and profitability by upgrading financial control and the quality of computerised management information. Wider aspects will embrace cash management, strategic planning and appraisal of business opportunities.

Applicants should be computer literate qualified accountants aged 30/45. Strong communicators with a 'hands on' approach, they must have extensive commercial and managerial experience with a record of identifying requirements and achieving results.

Please write, enclosing a full career/salary history and daytime telephone number, to David Tod BSc FCA quoting reference D/57/F.

LLOYD MANAGEMENT Selection Consultants ... High Holborn London WC1V 6Q...

FINANCIAL CONTROLER

Watford **£35,000 + Car**

A subsidiary of a major international corporation, our client is developing a significant brand in the durable consumer goods market and has set up a multi-million pound nationwide distribution operation. With the powerful backing of its parent company, expansion is proceeding at a rapid pace and continued strong growth is forecast.

Reporting to the chief executive officer, you will be a key member of a small and dedicated management team. You will be responsible for the accounting team and the operation and development of the management control and reporting systems, particularly ensuring they meet the needs of a rapidly expanding business.

A qualified accountant, you should have at least 5 years' industrial experience and be able to demonstrate a track record of successfully managing computerised information systems, preferably within a product distribution environment.

To apply, please send a c.v. together with recent salary history to:

The Managing Director
Corporate Financial Management
42 Milton Park
London N6 5QA

APPOINTMENTS WANTED

FINANCIAL CONTROLLER

German based.
Computer literate with general management, controlling and consolidation experience in industrial and medical manufacturing industries seeks full or part time assignments in Central Europe.
CV and references available on request.

G Anderson CA.
Tel: Germany (0) 9441 686016
Fax: (0) 9441 686030

A DYNAMIC AND WIDELY EXPERIENCED INTERNATIONAL FINANCE EXECUTIVE, BA, FCA, FCMA.

Currently working for a conglomerate with interests in hotels, insurance, finance and leasing. Excellent track record. Seeks new appointment.

Please write to Box A735, Financial Times, One Southwark Bridge, London SE1 9HL

The Institute of Chartered Accountants in England and Wales

Results of Professional Examination 2 held in December 1992

List of Successful Candidates

A

Abbi R.R. (Ernst & Young), London
Abdul Mohammad S. (Kassim-Lakha Abdulla & Co), London
Abidson N.L. (Coopers & Lybrand), Liverpool
Abram P.G. (Allwood Baird Hack), Chester
Abrams J.H. (Coopers & Lybrand), Reading
Adams D.F. (Jewitt, Sparrow & Swinbank), Stockton-On-Tees
Adams M.J.D. (BDO Binder Hamlyn), St. Albans
Addison J.T. (Williams Allan), Windsor
Ademola A.B. (Coopers & Lybrand), London
Ah-See M.M. (Somers Baker), London
Ahuja A. (Coopers & Lybrand), London
Albers P.O. (Arthur Andersen), London
Aldridge J.F. (Martindale Beaumont & Co), St. Helens
Akas E.N. (Spicer & Oppenheim), Croydon
Ali N.S. (KPMG Peat Marwick), Birmingham
Allan C.P. (Arthur Andersen), Leeds
Allen J. (Fordham Cooper), London
Allenby M. (Aitken Browne), Hull
Allerton N.R. (KPMG Peat Marwick), London
Allford S.J. (KPMG Peat Marwick), Maidstone
Allsopp D. (BDO Binder Hamlyn), Newcastle Upon Tyne
Allwood D. (Grant Thornton), Nottingham
Ambrose K.S. (Coopers & Lybrand), London
Amin D.K. (Moores Rowland), London
Anand R.S. (KPMG Peat Marwick), London
Andrews M.D. (Touche Ross & Co.), Bristol
Ansari S. (KPMG Peat Marwick), Stoke-On-Trent
Ansell R.D. (KPMG Peat Marwick), Birmingham
Anson A.J. (Arthur Andersen), London
Anstey C.E. (Thomas May & Co), Leicester
Antoniades M. (KPMG Peat Marwick), Leeds
Antoniou K. (KPMG Peat Marwick), Bradford
Apostoli T. (Moore Stephens), Enfield
Arber C.C. (Calder W.J. Sons & Co), London
Arbuthnott R.K. (KPMG Peat Marwick), London
Archer E.A. (Ernst & Young), Newcastle Upon Tyne
Argent J.L. (Keelings), London
Aristotelous P. (Price Waterhouse), London
Armes N. (Morton Thornton), St. Albans
Armitage G.P. (KPMG Peat Marwick), London
Armour T.C.A. (Coopers & Lybrand), Plymouth
Armstrong J.K. (KPMG Peat Marwick), Darlington
Aronson R. (KPMG Peat Marwick), London
Arora J. (Hacker Young), London
Arthurs H.L. (BDO Binder Hamlyn), London
Ash K.J. (Coopers & Lybrand), London
Ashley S. (Richardsons), Thame
Ashworth C.M. (Pannell Kerr Forster), London
Ashworth M.A. (KPMG Peat Marwick), Stoke-On-Trent
Atherton C.N. (Grant Thornton), Nottingham
Atherton M.A. (Grant Thornton), Newcastle Upon Tyne
Atherton M.E. (Arthur Andersen), Nottingham
Atkinson R.E. (Price Waterhouse), Liverpool
Atkinson S.J. (Touche Ross & Co.), London
Au A.Y. (KPMG Peat Marwick), Cambridge
Aubusson J.W. (Ernst & Young), London
Aurora P.S. (Moores Rowland), Walsall
Austin C. (Clarks), Slough
Austin P.K. (KPMG Peat Marwick), Chelmsford
Avery D.R.A. (Stoy Hayward), London
Avgousti A.P. (KPMG Peat Marwick), London
Axe N.G. (Peters, Elworthy & Moore), Cambridge
Axon M.N. (Mole A.C. & Sons), Taunton
Azizuddin A.F. (BDO Binder Hamlyn), London

B

Baglow G. (Roberts McLennan), Woking
Baker R. (KPMG Peat Marwick), London
Bahi R.S. (Hacker Young), London
Bailey B.R. (Arthur Andersen), Birmingham
Bailey C.N. (Clark Whitehill Josolyne), Leeds
Bailey F.M.J. (Ernst & Young), Bristol
Bailey G.L. (Touche Ross & Co.), London
Bailey L.A. (KPMG Peat Marwick), Swindon
Baillie L.K. (Coopers & Lybrand), London
Bailur S. (KPMG Peat Marwick), London
Bainbridge F.A. (Dodd & Co.), Carlisle
Baines D.R. (Price & Company), Eastbourne
Bajaj R. (Coopers & Lybrand), London
Bakela T.F. (Coopers & Lybrand), London
Baker A.D. (Potter Baker), Launceston
Baker A.H. (BDO Binder Hamlyn), Wolverhampton
Baker C.M. (Coopers & Lybrand), Croydon
Baker D. (Price Waterhouse), London
Baker D.J. (Neville Russell), Dudley
Baker D.M. (Arthur Andersen), Manchester
Baker M.J. (Coopers & Lybrand), Manchester
Bal P. (Price Waterhouse), Southampton
Bal R.P.S. (Coopers & Lybrand), Uxbridge
Balakrishnan V. (Arthur Andersen), London
Baldwin J. (Leach & Co), Richmond
Ball C.A. (Arthur Andersen), Reading
Ball C.J. (Ernst & Young), Swindon
Ball C. (Touche Ross & Co.), London
Ball R.D. (Coopers & Lybrand), Leeds
Ball W.J.D. (Price Waterhouse), London
Ballinger R. (Touche Ross & Co.), Birmingham
Bamforth J.D. (KPMG Peat Marwick), Huddersfield
Bannister C.J. (Price Waterhouse), Birmingham
Barford N.A. (Ernst & Young), Nottingham
Barker D.R. (Arthur Andersen), London
Barker J.A. (Streets & Co), Lincoln
Barlow C.R. (Arthur Andersen), London
Barlow D.G. (KPMG Peat Marwick), Plymouth
Barraclough E.J. (Moore Stephens), Yeovil
Barron S. (KPMG Peat Marwick), London
Barrow A.S. (KPMG Peat Marwick), Manchester
Barrow K.R. (Arthur Andersen), London
Barry K.R. (Stephens F.W. & Co), London
Bartlett S.C. (BDO Binder Hamlyn), Birmingham
Barton J.D. (KPMG Peat Marwick), London
Basey J. (Price Waterhouse), London
Bass S.A. (Price Waterhouse), London
Bates C. (BDO Binder Hamlyn), London
Batho S.J. (Conway & Co), Chester
Baty M.A. (Limehouse & Co), Rugby
Bauernfeind D.G. (Touche Ross & Co.), London
Bayley G.C.R. (Coopers & Lybrand), London
Baylis R.J. (Price Waterhouse), Birmingham
Beachell C.L. (Prior & Palmer), Nottingham
Beadle K.J. (Coopers & Lybrand), Jersey
Beales S.E. (Grant Thornton), London
Beanlands P.D. (Price Waterhouse), Leeds
Beardsmore P.R. (Ernst & Young), London
Beare D.J.E. (Coopers & Lybrand), Sheffield
Beasley T.R. (Ernst & Young), Birmingham
Beattie C.E. (Price Waterhouse), London
Beattie D.L. (Coopers & Lybrand), London
Beaumont G.E. (Bloomer Heaven), Birmingham
Beaumont I. (Haines Watts), Bradford
Beckett S.J. (Touche Ross & Co.), Leicester
Bector R. (Coopers & Lybrand), Birmingham
Beddow P.R. (KPMG Peat Marwick), Brighton
Bedford P.A. (Touche Ross & Co.), Leeds
Bee R.J. (KPMG Peat Marwick), Manchester
Beels S. (Price Waterhouse), Leeds
Beeston S.P. (Ernst & Young), Manchester
Beetlestone J.D. (Ernst & Young), London
Bell E.E.E.L. (Peters, Elworthy & Moore), Cambridge
Bell S.W. (Haines Watts), Sheffield
Bellew P.S.A. (Touche Ross & Co.), Crawley
Belshaw J.L. (Grant Thornton), Oxford
Bennett G.N.B. (Arthur Andersen), London
Bennett P.A. (Ernst & Young), London
Bennett S.R. (Touche Ross & Co.), Cambridge
Bentley S.A. (Arthur Andersen), Nottingham
Berry A.J. (Price Waterhouse), London
Berry D.G. (Price Waterhouse), London
Berry K.J. (Moore, Bedworth & Co), Barnstaple
Bervoets S.L. (Touche Ross & Co.), Liverpool
Bettles C.D. (Hallidays), Manchester
Bewsher C.E. (Solomon Hare), Bristol
Bhadra S. (Rouse & Co), Beaconsfield
Bhandari V. (Neville Russell), Ilford
Bhatti T. (KPMG Peat Marwick), London
Biddle R.J. (Coopers & Lybrand), London
Bielby F.E. (Coopers & Lybrand), London
Bigford P.J. (Arthur Andersen), Manchester
Biggs A.L. (Neville Russell), Dudley
Billett P. (Baker Tilly), Swindon
Billingham P.A. (Grant Thornton), Northampton
Billington J.A. (Arthur Andersen), Manchester
Bindra J.S. (Hacker Young), London
Bingham D.P. (Touche Ross & Co.), Bracknell
Binnington E.C. (Coopers & Lybrand), London
Binyon C.M. (Ernst & Young), London
Birchenough M.A. (Hays Allan), Exeter
Bird D.R. (Stoy Hayward), London
Bird H. (Coopers & Lybrand), London
Bird S.C. (Coopers & Lybrand), Gloucester
Birdsall N.J. (Bartfield & Co), Leeds
Bismal B. (Touche Ross & Co.), London
Bissell L.M. (Knill, Padgham & Grande), London
Black C.L. (Ernst & Young), Newcastle Upon Tyne
Blackburn M.L. (Ernst & Young), London
Blackler F.P.G. (Ernst & Young), Exeter
Blackmore D.C. (KPMG Peat Marwick), Leicester
Blackman M.A. (Solomon Hare), Bristol
Blackwell T.M. (Arthur Andersen), London
Blake M.J. (BDO Binder Hamlyn), Manchester
Blake S. (Ernst & Young), Sheffield
Blake S.C. (BDO Binder Hamlyn), London
Blakeley C.M. (Coopers & Lybrand), Bristol
Blanchard K.P. (KPMG Peat Marwick), Birmingham
Blankstone S.J. (Jeffreys Henry), London
Blaydes S.R. (Price Waterhouse), Hull
Bligh S.D. (Coopers & Lybrand), London
Blount A.J. (Gruber Levinson Franks), Liverpool
Bodger J.R. (MacIntyre Hudson), London
Bokhari Z.H. (Touche Ross & Co.), London
Bolan C.N. (Coopers & Lybrand), Reading
Bolitho S. (Ernst & Young), Exeter
Bolton D.G.N. (Grant Thornton), London
Bolton G. (Touche Ross & Co.), Liverpool
Bond H.C. (Arthur Andersen), London
Bond J.M. (Bishop Fleming), Torquay
Bond M.A. (Robson Rhodes), London
Bonnor-Moris I.D. (Price Waterhouse), London
Booth A.P. (Clough & Company), Bradford
Bootherstone J.A. (Pannell Kerr Forster), Derby
Boscher P.S. (Ernst & Young), Guernsey
Bovey P.M. (KPMG Peat Marwick), Cardiff
Bowden T.J. (Touche Ross & Co.), Leeds
Bowe S. (Touche Ross & Co.), London
Bowen D.A. (KPMG Peat Marwick), Guildford
Boyd S.A. (Keats Poulter), London
Boyer J.P. (Touche Ross & Co.), Manchester
Boyle N. (Pannell Kerr Forster), Birmingham
Bradford S.K.M. (Price Waterhouse), Newcastle Upon Tyne
Bradley J.G.C. (Ernst & Young), London
Brady N. (Touche Ross & Co.), London
Brajkovich N. (Hodgson, Morris & Co), Liverpool
Brandt K.P. (Fisher H.W. & Company), London
Bravington A.M. (KPMG Peat Marwick), Manchester
Brent G.J. (Arthur Andersen), London
Briars J.C. (KPMG Peat Marwick), Milton Keynes
Brice A.R. (Meager Wood Locke & Co), Birmingham
Bridges P.J.P. (KPMG Peat Marwick), London
Brighouse D.J. (KPMG Peat Marwick), Preston
Brindley C.R. (Touche Ross & Co.), London
Brittney S. (Ernst & Young), London
Broadberry M.L. (Ernst & Young), London
Brentwood K. (BDO Binder Hamlyn), St. Albans
Brock A.J. (Arthur Andersen), Cambridge
Broekhuizen L.N. (Price Waterhouse), London
Brookes P.J. (Coopers & Lybrand), London
Brooks J.R. (Arthur Andersen), London
Brooks S.E.J. (Coopers & Lybrand), Birmingham
Brooksbank R.J. (Ernst & Young), London
Brotherton P.I. (KPMG Peat Marwick), Leeds
Brown A. (Arthur Andersen), Reading
Brown C.J. (Booth Ainsworth), Cheadle
Brown D.A. (Hazlewoods), Cheltenham
Brown D.E. (Arthur Andersen), London
Brown D.M. (Dixon Wilson), London
Brown I.J.P. (Price Waterhouse), London
Brown J.C. (Clay Shaw Thomas), Bridgend
Brown J.I. (Coopers & Lybrand), London
Brown J.A. (Ernst & Young), Newcastle Upon Tyne
Brown N.F. (Arthur Andersen), London
Brown N.C. (Coopers & Lybrand), London
Brown R.P. (Pannell Kerr Forster), Guildford
Brown R.M. (Allen Baldry), Guildford
Browne A.T. (Price Waterhouse), London
Brownlie T.A. (Brewers), London
Brucciani N.M. (Touche Ross & Co.), Manchester
Bruce C. (Coopers & Lybrand), Douglas
Brundish J.L. (Ernst & Young), Manchester
Brunning N.P. (Hartley Fowler), Mitcham
Bryant A.J. (Bird Luckin), Chelmsford
Buckett J.S. (Moores Rowland), London
Buckley C. (Arthur Andersen), Nottingham
Buckley F. (Price Waterhouse), Birmingham
Buckley R.J. (Stephens F.W. & Co), London
Bull H.R. (Arthur Andersen), Nottingham
Bulmer D. (Thomas May & Co), Leicester
Burgess S. (Hart Shaw), Rotherham
Burkill R.J. (Ernst & Young), Hull
Burley N.J. (Coopers & Lybrand), Manchester
Burn S.F. (Rawlinson & Hunter), London
Burrows K.E. (Clark Whitehill), Kidderminster
Burrows M.S. (Moore Stephens), Enfield
Burrows P.J. (Ernst & Young), Leeds
Burton J.M. (Ernst & Young), Birmingham
Burton M.C. (Touche Ross & Co.), London
Butcher C.E. (Kidsons Impey), London
Butcher S. (Stoy Hayward), London
Butler C. (BDO Binder Hamlyn), London
Butler S.P. (Baker Tilly), Manchester
Butters A.M. (Coopers & Lybrand), Liverpool
Bygrave J.P. (Goodman Jones), London
Byrne E.C.S. (Touche Ross & Co.), London
Byrne S. (Ernst & Young), London

C

Caine A. (Coopers & Lybrand), London
Caira D.L. (Coopers & Lybrand), London
Calderbank A.C. (Ernst & Young), Nottingham
Calderbank S. (Barber, Harrison & Platt), Sheffield
Callaghan P. (Gane Jackson Scott), London
Campbell A.S. (Gilberts), St. Albans
Campbell J. (Ramsay Brown & Partners), London
Campion C.J. (KPMG Peat Marwick), Leicester
Cane S.J. (Touche Ross & Co.), London
Cargill N.R. (Touche Ross & Co.), Cardiff
Carr D. (Wallace Crooke & Co), Walsall
Carr J.P. (Pannell Kerr Forster), Liverpool
Carter H. (Price Waterhouse), London
Carter J.D. (Price Waterhouse), Birmingham
Carter S.J. (Solomon Hare), Bristol
Casey P.J. (Cooper Parry Prior & Palmer), Derby
Caul R.S. (Coopers & Lybrand), Bristol
Cawdron R. (Coopers & Lybrand), Nottingham
Chadwick I.M. (BDO Binder Hamlyn), Manchester
Chadwick P. (Pannell Kerr Forster), Sheffield
Chakraborti A. (Ernst & Young), London
Chalker A.R.P. (Edwin Smith), Reading
Chambers S. (Price Waterhouse), London
Champion M.R. (Ernst & Young), London
Chan B.W.N. (James & Cowper), Reading
Chan F.L.F. (Price Waterhouse), Cardiff
Chan J.K.C. (Pannell Kerr Forster), Sheffield
Chan N.C.L. (Coopers & Lybrand), Birmingham
Chandler N. (KPMG Peat Marwick), St. Albans
Chang K.E. (KPMG Peat Marwick), Leeds
Chantry R.L. (Touche Ross & Co.), Birmingham
Chapman M.A. (KPMG Peat Marwick), London
Chappelle J.B. (Duncan & Toplis), Boston
Chapple E.C. (Coopers & Lybrand), Birmingham
Char Kee Chung R.Y. (Simmons Cohen Fine), London
Charles D. (Coopers & Lybrand), Birmingham
Charles P.D. (KPMG Peat Marwick), Nottingham
Charlesworth S.M. (Stoy Hayward), London
Charlick S.R. (Price Waterhouse), Cardiff
Charlton A.M. (KPMG Peat Marwick), London
Chattenton S.F. (KPMG Peat Marwick), Maidstone
Chau E.S. (Coopers & Lybrand), London
Chauhan C. (KPMG Peat Marwick), London
Cheah M.C.C. (Coopers & Lybrand), London
Check N. (Halpern and Woolf), London
Cheek G.A. (Coopers & Lybrand), London
Cheetham C.A. (Neville Russell), Stockport
Cheng C.H.W. (Ernst & Young), London
Cheng H.B. (KPMG Peat Marwick), London
Cher L.S.E. (Merchant & Co.), London
Cheung E. (Ernst & Young), Luton
Cheung H.K.H. (Riches & Company), Walton-On-Thames
Cheung K.B.S. (Arthur Andersen), London
Chew K.S. (BDO Binder Hamlyn), London
Chilvers A.D. (Coopers & Lybrand), Uxbridge
Ching N.C. (Neville Russell), London
Chitwa A.M. (Jayson Newman), London
Chin J.M.Y. (Calder W.J. Sons & Co), London
Chin P.P.K. (BDO Binder Hamlyn), Newcastle Upon Tyne
Chong K.W. (Coopers & Lybrand), London
Choux N.J. (Touche Ross & Co.), Bristol
Chow M.M. (Bishop Edmund Umbleja), Cardiff
Chowdhury M.A.M. (KPMG Peat Marwick), London
Choy L.T.K. (Touche Ross & Co.), London
Christianson N.P.H. (Price Waterhouse), London
Christie A.M. (William Evans & Partners), London
Chui S.F.E. (Coopers & Lybrand), London
Chung M. (Coopers & Lybrand), Reading
Churchill A.F. (Price Waterhouse), Birmingham
Churchill I. (KPMG Peat Marwick), Bristol
Ciapparelli C. (Creaseys), Tonbridge
Clark D.J. (Price Waterhouse), Leeds
Clark E.P. (Calder W.J. Sons & Co), London
Clark J.M. (KPMG Peat Marwick), St. Albans
Clark W.A. (Ernst & Young), Liverpool
Clarke H.E. (Pannell Kerr Forster), London
Clarke S.A. (Touche Ross & Co.), London
Clemons G.N.J. (Touche Ross & Co.), London
Clews R.J. (Price Waterhouse), Nottingham
Clews S.G. (Coopers & Lybrand), Birmingham
Cliffe N.J. (Touche Ross & Co.), Crawley
Cloberty J. (KPMG Peat Marwick), Manchester
Clouter R.J. (Price Waterhouse), Cardiff
Clubb M. (Coopers & Lybrand), Southampton
Coates T.J. (Coopers & Lybrand), London
Cobb N.J. (Ernst & Young), London
Cockram P.J. (Arthur Andersen), Manchester
Codling A.J. (Keens Shay Keens), Luton
Coldwell S.J. (Hugill & Co), Waltham Cross
Cole K.J. (Coopers & Lybrand), Southampton
Coleman G.P. (BDO Binder Hamlyn), Poole
Colley R.T. (KPMG Peat Marwick), Leicester
Collie R.A. (Coopers & Lybrand), London
Collier C.W. (Touche Ross & Co.), London
Collier N.J. (BDO Binder Hamlyn), London
Collinge J.S. (MacIntyre Hudson), Richmond
Collini P.M. (Price Waterhouse), Manchester
Collins C. (BDO Binder Hamlyn), London
Collins D.A. (Neville Russell), London
Collins E.A. (Lewis, Alexander & Collins), Manchester
Collis C.P. (Stoy Hayward), London
Comber D.A. (Wellers), Oxford
Comber J.P. (Harper Broom Roberts), Maidenhead
Comley A.S. (Coopers & Lybrand), London
Connor L. (KPMG Peat Marwick), Liverpool
Connor N.A. (KPMG Peat Marwick), London
Connor P.A. (Arthur Andersen), Reading
Connor S. (KPMG Peat Marwick), Birmingham
Cook C. (KPMG Peat Marwick), Birmingham
Cook J.M. (Jacob, Cavenagh & Skeet), Sutton
Cook L.J. (Ernst & Young), Leeds
Cooke N.J. (Touche Ross & Co.), Leicester
Cooke R.M. (Price Waterhouse), Birmingham
Cooper A.J. (Ernst & Young), Leeds
Cooper B.C. (Haswell Brothers & Co), Chester
Cooper L.J. (BDO Binder Hamlyn), Manchester
Cooper S.J. (Rice & Co), Cannock
Cooper V.J. (Stoy Hayward), London
Coppeard P.G. (Touche Ross & Co.), Manchester
Corben D.J. (KPMG Peat Marwick), Poole
Corkish A.E. (Coopers & Lybrand), Douglas
Corless J. (Baker Tilly), Bradford
Corley R.M. (Touche Ross & Co.), Bristol
Corney J.W. (Touche Ross & Co.), Birmingham
Cotter P. (KPMG Peat Marwick), Milton Keynes
Cotton J.J. (Coopers & Lybrand), London
Coulson D.J. (Willis Parsons English with Schofields), Bournemouth
Coulson D.A. (Ernst & Young), London
Connell J.L. (BDO Binder Hamlyn), Bacup
Cousins E.E. (Price Waterhouse), London
Cowburn L.M. (Price Waterhouse), London
Cowey J.E. (Touche Ross & Co.), Newcastle Upon Tyne
Cowley G.M. (Coopers & Lybrand), Birmingham
Cowley P.A. (Arthur Andersen), London
Cox B. (Nash Broad Wesson), London
Cox E.H.L. (Price Waterhouse), London
Craig S.J. (Coopers & Lybrand), London
Cramp D.W. (Lane Heywood Davis), London
Cramer J.M. (Arthur Andersen), Bristol
Crankshaw P.M. (Wallwork, Nelson & Johnson), Preston
Cranswick R.A.M. (Graham Hill & Co), Cambridge
Crawford A.W.E. (Chantrey Vellacott), London
Crawford A.I.M. (Coopers & Lybrand), Reading
Crawford D.D.E. (Smith F.W. Riches & Co), London
Crawford J.A. (Ernst & Young), Manchester
Crawford T. (James & Cowper), Reading
Cribb D.W. (Touche Ross & Co.), London
Cribbin C. (Coopers & Lybrand), London
Cronin R.W. (Price Waterhouse), Bristol
Crook A.J. (Coopers & Lybrand), London
Cross J.D. (Price Waterhouse), Cardiff
Cross L.M. (Touche Ross & Co.), Cardiff
Cross M.M. (Price Waterhouse), London
Crossley J.A.G. (Ernst & Young), Birmingham
Crosswell N. (Dixon Wilson), London
Croston R.A. (Price Waterhouse), Hull
Crouch M.J. (Price Waterhouse), Bristol
Crow L.R. (Touche Ross & Co.), Leicester
Croxson N.M. (Coopers & Lybrand), Leeds
Cullens A.R. (Touche Ross & Co.), London
Cullum N.R. (Coopers & Lybrand), Birmingham
Cumming G.K. (Price Waterhouse), Nottingham
Cummings C.M.P. (Wallwork, Nelson & Johnson), Preston
Cunliffe N.S. (KPMG Peat Marwick), Maidstone
Curreem Z.A. (Touche Ross & Co.), London
Curry D.R. (KPMG Peat Marwick), London
Curzon-Tompson B.Y. (Coopers & Lybrand), Reading
Cushing M.K. (Coopers & Lybrand), Cardiff

D

Da Silva H.D. (KPMG Peat Marwick), London
Daley A.G. (KPMG Peat Marwick), Southampton
Dallaway M.R. (Price Waterhouse), Bristol
Dallimore G. (Arthur Andersen), Manchester
Dalton E.C. (Coopers & Lybrand), Cambridge
Dampier J.D. (Price Waterhouse), Redhill
Dane J.E. (Coopers & Lybrand), Norwich
Darby C.T. (Price Waterhouse), Birmingham
Darby N.J. (KPMG Peat Marwick), London
Darcy S.J. (Touche Ross & Co.), Birmingham
Dare H.F. (Arthur Andersen), Birmingham
Dargue S.J. (Clarks), Slough
Dattani N. (Lomax Chant), London
Dave S. (BDO Binder Hamlyn), London
Davey A. (KPMG Peat Marwick), Manchester
David D.J. (KPMG Peat Marwick), London
Davidson A. (Peters, Elworthy & Moore), Cambridge
Davidson A.C.R. (Touche Ross & Co.), London
Davidson C.J. (Price Waterhouse), London
Davies C.R. (Arthur Andersen), Reading
Davies H.J. (Price Waterhouse), London
Davies J.M. (Coopers & Lybrand), Southampton
Davies L.A. (Grant Thornton), Cheltenham
Davies M.T. (Hawsons), Northampton
Davies N. (Sully & Co), Bideford
Davies N. (Richard Sharman & Company), Reigate
Davies S.J.G. (Clark Whitehill), Reading
Davies S.J. (Winters), London
Davies T.M. (Kidsons Impey), Hereford
Davis E.M. (Coopers & Lybrand), London
Davis R.D. (Harris, Walters), Andover
Davis S.R. (Derek Webster & Co), London
Dawe M.R. (KPMG Peat Marwick), London
Dawson D.K. (Pannell Kerr Forster), London
Dawson J.N. (KPMG Peat Marwick), Darlington
Day S.P. (Hacker Young), London
De Silva A.P. (Everett, Collins & Loosley), Leighton Buzzard
De Silva U.K.B.S. (Dean Statham), Stafford
De Souza I.M.J. (Coopers & Lybrand), Croydon
De Souza B.H. (Milne Ross), London
De Voll P.M. (Touche Ross & Co.), Leicester
Dean A.D. (Ernst & Young), Newcastle Upon Tyne
Dean J.N.A. (Hazlewoods), Cheltenham
Dean P.R. (KPMG Peat Marwick), Liverpool
Debenham B.F. (Arthur Andersen), Birmingham
Dee A.T. (KPMG Peat Marwick), Birmingham
Dee J.P. (Stoy Hayward), London
Decley R.A.B. (KPMG Peat Marwick), Nottingham
Defty A. (Arthur Andersen), London
Delangle E. (Ernst & Young), Leeds
Densham M.P. (Goldwyns), Southend-On-Sea
Dent M. (Coopers & Lybrand), Northampton
De-Rhune M.A. (BDO Binder Hamlyn), London
Derrick C.M. (KPMG Peat Marwick), Cardiff
Desai V. (KPMG Peat Marwick), London
Desorh J.L. (Ernest Francis & Son), Reading
Devine C.J. (Kidsons Impey), Coventry
Devonald A.J. (MacIntyre Hudson), Northampton
Dewinter J.Z. (Cohen Arnold & Co), London
Dexter S.J. (KPMG Peat Marwick), Birmingham
Dhillon A.A. (King & Taylor), Gravesend
Dholakia S.M.C. (Ernst & Young), London
Diamond E.A.G. (KPMG Peat Marwick), Newcastle Upon Tyne
Dickson J.R. (Rothman Pantall & Co.), Winchester
Dilley B.J. (KPMG Peat Marwick), London
Dillon P.A. (Touche Ross & Co.), Manchester
Dixon A.P.G. (Saffery Champness), High Wycombe
Dixon N.C. (Price Waterhouse), Newcastle Upon Tyne
Docherty K. (Grant Thornton), Plymouth
Dodd P. (Crossley & Davis), Blackpool
Dodd T.J. (Price Waterhouse), London
Doleman M.F. (Touche Ross & Co.), Leicester
Domjan Y.M. (Coopers & Lybrand), London
Donald J.R. (Clay Ratnage Strevens & Hills), Wickford
Donker M.R. (Kidsons Impey), Leeds
Donnelly G.M. (Price Waterhouse), Manchester
Dosanjh J.S. (Arthur Andersen), Cambridge
Doughty L. (Coopers & Lybrand), London
Douglas F.P. (Price Waterhouse), Newcastle Upon Tyne
Douglas K. (Touche Ross & Co.), London
Douglas M.K. (KPMG Peat Marwick), New Street
Douglas M.B. (Clark Whitehill), London
Douglas P.H. (Ernst & Young), Newcastle Upon Tyne
Dove P. (Ernst & Young), Norwich
Dowd J.T. (Coopers & Lybrand), London
Dowd M. (BDO Binder Hamlyn), London
Dowley A. (Crossley Lomas), Glossop
Downes S. (Touche Ross & Co.), London
Downhill S.K. (Ernst & Young), London
Draffan M. (Touche Ross & Co.), London
Draper P.E. (Dennis R. Edwards & Co.), Oswestry
Drubra H.S. (KPMG Peat Marwick), London
Dube S.K. (KPMG Peat Marwick), Manchester
Dudley T.P. (Ernst & Young), London
Duffy D.R. (Coopers & Lybrand), Birmingham
Duggan R.E. (Jones Avens), Chichester
Dungate S. (Coopers & Lybrand), Reading
Dunkley A.A. (Grant Thornton), Milton Keynes
Dunn J.A.R. (Arthur Andersen), London
Dunne S.M. (Coopers & Lybrand), London
Durkin L.C. (Arthur Andersen), Manchester
Duxbury N.J. (Price Waterhouse), Leeds
Dzuniak J. (Coopers & Lybrand), Norwich
Dyce C.S. (Price Waterhouse), London
Dykes C.M. (Neville Russell), London

E

Eagle M.F. (Carr Edmund & Co), Chelmsford
Easterbrook S.J. (Price Waterhouse), London
Ebanks L.D. (Fisher H.W. & Company), London
Edmond M.J. (Arthur Andersen), Nottingham
Edmonds J.L. (Price Waterhouse), London
Edmonds R.F. (Coopers & Lybrand), Leeds
Edwards A.C. (Touche Ross & Co.), Bristol
Edwards I.J. (Touche Ross & Co.), Cardiff
Edwards S.S. (Grant Thornton), Luton
Ekaireb J.H. (Price Waterhouse), London
Eldridge K.R. (Ernst & Young), London
Elliman J. (Ashworth, Moulds & Co), Burnley
Elliott I.N. (Beer Aplin), Exeter
Elliott P.C. (KPMG Peat Marwick), London
Elliott R.I.A. (Felton & Co.), Birmingham
Ellis M.P. (Coopers & Lybrand), London
Ellis P. (KPMG Peat Marwick), Maidstone
Elston A.H. (Coopers & Lybrand), Cambridge
Elston A.C.R. (Price Waterhouse), Liverpool
Emerton E. (Clark Whitehill), Cheltenham
Emmott N.J. (Buckle Barton), Leeds
Emney M. (Price Waterhouse), London
Epie L.M. (O'Brien & James), Pontypridd
Errington D.J. (Farrell Cheeseman), London
Essex S.J. (Bright Grahame Murray), London
Ethelston M.H. (Arthur Andersen), London
Evans D.J. (Touche Ross & Co.), London
Evans G.R. (KPMG Peat Marwick), Birmingham
Evans G. (Coopers & Lybrand), Cardiff
Evans I.M. (Price Waterhouse), Birmingham
Evans M.C. (Arthur Andersen), London
Evans N.D. (Littlejohn Frazer), London
Evans N.M. (Grant Thornton), Nottingham
Evans R.C. (Littlejohn Frazer), London
Evans S.T. (Coopers & Lybrand), Cambridge
Everitt P.M. (Stoy Hayward), London
Ewart P.P. (Touche Ross & Co.), London
Eyre A.J. (KPMG Peat Marwick), Leeds

F

Fairclough T.M. (Nicholass, Ames & Co.), London
Fairhurst D.G. (Ernst & Young), London
Fairhurst J.A. (Coopers & Lybrand), London
Fairpo C.H. (Arthur Andersen), Leeds
Faisal R. (Touche Ross & Co.), Birmingham
Fallon P. (Bryden, Johnson & Co), Croydon
Fallows J.M. (Kneeshaw Moffatt), Burnley
Familusi B.A. (Coopers & Lybrand), London
Fantom L.J. (Wadey & Warley), Kingston-Upon-Thames
Farrell M.A. (Stoy Hayward), London
Farrelly K.T. (Littlejohn Frazer), London
Farris R.K. (Coopers & Lybrand), Birmingham
Fearn P.S. (Forrester Boyd), Grimsby
Fellows A.M. (KPMG Peat Marwick), Leeds
Felstein S.G. (KPMG Peat Marwick), London
Ferguson A.M. (Coopers & Lybrand), London
Ferguson A.L. (Ernst & Young), Norwich
Filbee A.P. (KPMG Peat Marwick), Manchester
Findlay C.M.K. (Price Waterhouse), London
Fine S.D. (Touche Ross & Co.), London
Finegan P.F. (Coopers & Lybrand), Liverpool
Fink D.J. (Stoy Hayward), London
Fish A.C. (Coopers & Lybrand), Guernsey
Fish A.J. (Coopers & Lybrand), London
Fisher D.J. (Coopers & Lybrand), London
Fisk T.M. (KPMG Peat Marwick), London
Fitzgerald J.T. (Price Waterhouse), Southampton
Fitzmaurice B.T. (Coopers & Lybrand), London
Fitzsimons M.A. (Arthur Andersen), London
Flaherty T.A. (Barber, Harrison & Platt), Sheffield
Flatt A.R.F. (Coopers & Lybrand), Bristol
Flear H.E. (KPMG Peat Marwick), Nottingham
Fletcher A. (Stanley & Co), Birmingham
Fletcher J. (Fletcher & Partners), Salisbury
Fletcher K.J. (KPMG Peat Marwick), Cambridge
Fletcher P. (Essors), Ipswich
Flood P. (KPMG Peat Marwick), Manchester
Florides A.C. (Morgan Brown & Spofforth), London
Floringer B.J. (Lovewell Blake), Thetford
Flory A.M. (Price Waterhouse), London
Flynn C.F. (Price Waterhouse), London
Flynn J.A. (Arthur Andersen), London
Flynn P.J. (Mitchell Charlesworth), Liverpool
Fok M.H.K. (KPMG Peat Marwick), London
Ford E.I. (Gilberts), St. Albans
Forshaw J.R. (Touche Ross & Co.), Manchester
Forsyth G.S. (Coopers & Lybrand), London
Foster J.A. (Ernst & Young), London
Foster Y.K. (Arthur Andersen), Leeds
Fothergill P.J. (Touche Ross & Co.), London
Fowler J.D. (Ernst & Young), London
Fox S.L. (Coopers & Lybrand), London
Fox S.J. (KPMG Peat Marwick), Nottingham
France P.D. (Touche Ross & Co.), Manchester
Francis A.D. (Arthur Andersen), Manchester
Francis S.J. (Ernst & Young), London
Franklin J.S. (Coopers & Lybrand), London
Freeman D. (Kidsons Impey), London
Freeman E.J. (Price Waterhouse), Windsor
Freeman P.R. (Hacker Young), London
Freeman S.K. (Coopers & Lybrand), London
French S.J. (KPMG Peat Marwick), Huddersfield
Friel S.M. (Coopers & Lybrand), Manchester
Frost S.J. (Grant Thornton), Luton
Fuller G.A. (Bacott Worrall), Burnham

G

Gale Y. (BDO Binder Hamlyn), Newcastle Upon Tyne
Gallagher S.P. (Neville Russell), London
Gallimore J. (Touche Ross & Co.), Manchester
Gandhi S. (KPMG Peat Marwick), London
Gannon M.S. (Price Waterhouse), London
Gangule N. (Coopers & Lybrand), London
Gardiner G.C. (Leach Bright), Guildford
Gardner E.W. (Price Waterhouse), London
Gardner J.P. (Price Waterhouse), London
Gardner M.T. (KPMG Peat Marwick), Sheffield
Garland C. (KPMG Peat Marwick), Derby
Gaskell J.R. (Pannell Kerr Forster), Worcester
Gawor S.J. (Price Waterhouse), Windsor
Gazzi D.A. (Hereward Philips), London
Gearing H.M. (Coopers & Lybrand), Reading
Gee A.M. (Ernst & Young), London
Gentle C.G. (MacIntyre & Co), London
Georgiades D. (Moore Stephens), London
Georgiades M. (Blick Rothenberg), London
Gerrard D.M. (Cox Hinkins & Co), Oxford
Gharial J.S. (Touche Ross & Co.), Dartford
Ghayas A.T. (Maurice Apple), London
Ghui H.W. (Keyse Poulter Stern), London
Gibbins S.A. (Price Waterhouse), London
Gibbs D.C. (Touche Ross & Co.), Birmingham
Gibson M.D. (Touche Ross & Co.), London
Gibson S.C. (Coopers & Lybrand), Liverpool
Glass A. (Coopers & Lybrand), London
Gifford M.A. (KPMG Peat Marwick), London
Gilbert D.P. (Arthur Andersen), London
Gilbert M.A. (Coopers & Lybrand), Leeds
Gilfoyle J. (Price Waterhouse), Birmingham
Gill J.B. (Coopers & Lybrand), Leeds
Gill L.P. (Norrie Stokes & Perrett), Tonbridge
Gillion P.M. (Robson Rhodes), Birmingham
Girdlestone R.P. (Price Waterhouse), St. Albans
Gladstone B.T.S. (Coopers & Lybrand), London
Glasby P.A. (Coopers & Lybrand), Leicester
Glossop J.D. (Wilson Green), London
Glycopantis M. (KPMG Peat Marwick), London
Gockeler M. (Robson Rhodes), Cambridge
Godefroy N.J. (Hazlewoods), Cheltenham
Godfrey A. (Ernst & Young), Reading
Godwin S.M. (Hazlewoods), Cheltenham
Goff M.J. (Saffery Champness), London
Goh J.S.W. (Coopers & Lybrand), London
Golby M.L. (Coopers & Lybrand), London
Golding M.D. (Littlejohn Frazer), London
Goldstone J.A. (Price Waterhouse), Manchester
Goldstraw S.J. (Price Waterhouse), London
Golland J.M. (Dexter & Co), Horncastle
Gooding N. (BDO Binder Hamlyn), London
Goodwin L.J. (Spicer & Oppenheim), Birmingham
Gopal R. (Thomas C.R. & Co), London
Gordon L. (Touche Ross & Co.), Liverpool
Gormley S. (Touche Ross & Co.), London
Gorton A.J. (Moore Fletcher & Co), Sheffield
Gorton D.J. (Price Waterhouse), Windsor
Gorton R.S. (KPMG Peat Marwick), Norwich
Goss K. (Coopers & Lybrand), London
Gothard P.A. (MacIntyre Hudson), Richmond
Gould J.R. (Sagar Croudson), Leeds
Gould K.D. (Ernst & Young), London
Goulder S.C. (KPMG Peat Marwick), Guildford
Grace N.G.W. (Ernst & Young), London
Grainger-Allen T.A.M. (Phillips Frith), St. Austell
Granger R.P. (Coopers & Lybrand), Reading
Gransbury M.A. (Price Waterhouse), Birmingham
Grant E.W. (Burnett Swayne), Southampton
Grant L.M. (Coopers & Lybrand), London
Grant P.D. (Kidsons Impey), London
Grant S.C. (Arthur Andersen), London
Grant S.S. (Price Waterhouse), London
Granville J.P. (Coopers & Lybrand), London
Graven R.T. (Coopers & Lybrand), Bournemouth
Graves A.J. (Ernst & Young), London
Gray C.W. (KPMG Peat Marwick), Birmingham
Gray H.R. (KPMG Peat Marwick), Brighton
Gray P.D. (Touche Ross & Co.), London
Grayson C.E. (Beever & Struthers), Manchester
Greed P.K. (KPMG Peat Marwick), Reading
Green D. (Robson Rhodes), Leeds
Green D.S. (Coopers & Lybrand), London
Green G.F.M. (Pridie Brewster), Twickenham
Green H.J. (Ernst & Young), London
Green P.C.R. (Smalley, Goldie & Co), Hull
Green T.J.M. (Price Waterhouse), London
Greenhalgh L.S. (Smith Partnership), Manchester
Greenhead M.R. (Midgley, Snelling & Co), London
Greensill S.M. (Humphreys E. Noel & Co), Chester
Greenwood I.S.C. (Coopers & Lybrand), Reading
Gregg A.L. (Coopers & Lybrand), London
Gregory A. (Coopers & Lybrand), London
Gregory A.N. (Arthur Andersen), Manchester
Gregory E.F. (Stanley V. Bye & Co), Middlesbrough
Gregory P.B.G. (Arthur Goddard & Co), London
Grice M.J. (Coopers & Lybrand), London
Griffith A.P. (Coopers & Lybrand), London
Griffiths J.P. (Touche Ross & Co.), Cardiff
Griffiths K. (Coopers & Lybrand), Liverpool
Griffiths M.H. (Stoy Hayward), Birmingham
Griffiths M.J. (Price Waterhouse), St. Albans
Griggs N.A. (Coopers & Lybrand), Reading
Grimmond J.N. (Ernst & Young), London
Grisdale P.A.P. (Littlejohn Frazer), London
Grostern S.J. (KPMG Peat Marwick), London
Groves M.R. (Coopers & Lybrand), London
Gulliford V.H. (KPMG Peat Marwick), London
Gunesh I.R. (Blick Rothenberg), London
Gunewardena A.D. (Coopers & Lybrand), London
Gunter M.F. (KPMG Peat Marwick), London
Gupta R. (Javed & Co), Birmingham
Gurney N.J. (Deeks Evans), Tunbridge Wells
Gurney S.J. (Coopers & Lybrand), Cambridge
Guy D.M. (Jennings Johnson), Sunderland

H

Hackney T.P. (Reeves & Neylan), Canterbury
Hadjihannas M.F. (Blick Rothenberg), London
Hadjinicolaou A. (Grant Thornton), Birmingham
Hails C.L. (KPMG Peat Marwick), Huddersfield
Haines G.D. (Arthur Andersen), London
Hainsworth S.A. (Stoy Hayward), London
Hakim M.R. (Gerald Edelman), London
Hale N.A. (Spain Brothers), Tunbridge Wells
Hall F.A. (Touche Ross & Co.), Nottingham
Hall J. (Touche Ross & Co.), Newcastle Upon Tyne
Hall J.C. (Coopers & Lybrand), Birmingham
Hall J.C. (Ernst & Young), Birmingham
Hall K.D. (Smith & Williamson), London
Hall N.T. (KPMG Peat Marwick), Chelmsford
Hall R. (Richardson, Hall, Kennedy & Co), Gateshead
Hall S.K. (KPMG Peat Marwick), Bristol
Hallam J.V. (BDO Binder Hamlyn), Nottingham
Halstead S.J. (Coopers & Lybrand), Manchester
Halton G.R. (Ernst & Young), Manchester
Hambling P.T.W. (Price Waterhouse), Leeds
Hambly R.P. (Arthur Andersen), London
Hamilton I.D. (Price Waterhouse), Manchester
Hamilton M.W. (Wheeler G.A. & Co), King's Lynn
Hamilton-Meikle A.T. (KPMG Peat Marwick), London
Hampson N.E.J. (Coopers & Lybrand), Cambridge
Hamshere P.W. (Coopers & Lybrand), London
Handyside J.L. (Price Waterhouse), London
Hanmer D.G. (Ernst & Young), Leeds
Hardacre S.J. (Coopers & Lybrand), Cambridge
Hardcastle S.A. (KPMG Peat Marwick), Chelmsford
Harder S.E. (Neville Russell), Sutton
Hardie N.Y. (BDO Binder Hamlyn), London
Harding C.L. (Coopers & Lybrand), Reading
Harding M.D. (Ernst & Young), London
Hardwick S.J. (Touche Ross & Co.), London
Hardy C.M. (Joseph Miller & Co), Newcastle Upon Tyne
Hardy P.G. (KPMG Peat Marwick), London
Hargate M.C. (Grant Thornton), Birmingham
Hargreaves E.R. (Day, Smith & Hunter), Maidstone
Hargreaves S.M.J. (Touche Ross & Co.), London
Harland J. (KPMG Peat Marwick), Manchester
Harley P.M. (Touche Ross & Co.), London
Harman E.T. (KPMG Peat Marwick), Guildford
Harney M.T. (Coopers & Lybrand), Manchester
Harper J.M. (Touche Ross & Co.), London
Harrington M.J. (Arthur Andersen), London
Harris A. (Pannell Kerr Forster), Nottingham
Harris A. (KPMG Peat Marwick), Derby
Harris D.N. (BDO Binder Hamlyn), Newcastle Upon Tyne
Harris D.S. (Coopers & Lybrand), London
Harris P. (KPMG Peat Marwick), London
Harris T.W. (Price Waterhouse), London
Harrison A.L. (Pannell Kerr Forster), Liverpool
Harrison D.C. (Arthur Andersen), Manchester
Harrison E.C. (Coopers & Lybrand), Manchester
Harrison R.K. (Coopers & Lybrand), London
Harrison R.E. (Coopers & Lybrand), London
Hart C.A. (KPMG Peat Marwick), London
Hart P.J. (Arthur Andersen), Reading
Hart S.C. (Coopers & Lybrand), London
Hartley A.J. (Price Waterhouse), Manchester
Hartley R.M. (Grant Thornton), Leeds
Harvey C.L. (Coopers & Lybrand), Cardiff
Harvey G.H. (KPMG Peat Marwick), London
Harvey Wood J.A. (Arthur Andersen), London
Hashemi N. (Moores Rowland), Croydon
Hastings C.A. (Arthur Andersen), London
Hatley J.B. (Coopers & Lybrand), Cambridge
Hatton B.J. (KPMG Peat Marwick), London
Hau Y.M. (KPMG Peat Marwick), London
Havill J.M. (Francis Clark), Exeter
Hawkins A.D. (Price Waterhouse), Southampton
Hay S.J. (Coopers & Lybrand), Cambridge
Haycock S.L. (BDO Binder Hamlyn), Wolverhampton
Hayden K.T. (Coopers & Lybrand), Newcastle Upon Tyne
Haynes V.M. (Coopers & Lybrand), Norwich
Healey D. (Price Waterhouse), Birmingham
Healy P. (Touche Ross & Co.), London
Healy W.R. (BDO Binder Hamlyn), London
Heaton C.M. (Kidsons Impey), Nottingham
Heaven S.M. (KPMG Peat Marwick), London
Hebbron M. (Coopers & Lybrand), Sheffield
Hedditch D.L. (KPMG Peat Marwick), Cambridge
Heery A. (Touche Ross & Co.), London
Heffron A.J. (Touche Ross & Co.), Leeds
Hellings E. (Touche Ross & Co.), Bracknell
Helps P.S. (Hacker Young), Bristol
Heminsley J. (Touche Ross & Co.), London
Henderson I.G. (Touche Ross & Co.), London
Henderson S.J. (Neville Russell), Sutton
Henderson S.N. (Arthur Andersen), Bristol
Hendrikse H.C. (Ernst & Young), London
Henry C.P. (Rothman Pantall & Co.), Eastleigh
Henry M.J. (KPMG Peat Marwick), London
Henshaw S.J. (KPMG Peat Marwick), Preston
Henwood J.D. (Coopers & Lybrand), Reading
Heppleston J.V. (Coopers & Lybrand), Sheffield
Herbert D.M. (Touche Ross & Co.), Leicester
Herod C.H. (Coopers & Lybrand), Nottingham
Herrick D.J. (Price Waterhouse), London
Herzraft P.G. (Cohen Arnold & Co), London
Healington N.J. (Grant Thornton), London
Hessi-Fatideh B. (KPMG Peat Marwick), Southampton
Hewish S.E. (Ernst & Young), Cambridge
Hewitt M.J. (Midgley, Snelling & Co), London
Hewkin M.A. (Touche Ross & Co.), Milton Keynes
Heyer R. (KPMG Peat Marwick), London
Heywood D.P. (KPMG Peat Marwick), Preston
Heywood P.J. (KPMG Peat Marwick), Manchester
Heywood S.D. (Pannell Kerr Forster), Great Yarmouth
Hibberd S.F. (Ernst & Young), Birmingham
Hicks S.E. (Harrison, Priddey & Co), Bromsgrove
Hiew L.Y.Y. (John W. Hinks & Co), Warley
Higgins C.E. (BDO Binder Hamlyn), London
Highton D.I. (Touche Ross & Co.), Crawley
Hignett D.J. (Gruber Levinson Franks), Liverpool
Hill A.E. (Coopers & Lybrand), Southampton
Hill G.A. (Arthur Andersen), Manchester
Hill P.M. (Ernst & Young), London
Hill S.L. (Pannell Kerr Forster), Birmingham
Hill S. (Stoy Hayward), London
Hill S.P. (Alexander Partnership), Cardiff
Hills D.R. (Touche Ross & Co.), Manchester
Hills S.L. (Touche Ross & Co.), Nottingham
Hillsdon A.C. (Touche Ross & Co.), Dartford
Hinchliff S. (Price Waterhouse), Birmingham
Hindes M.L.W. (Keelings), London
Hindmarsh J.F. (Richardson, Hall, Kennedy & Co), Gateshead
Hiner J.A. (Grant Thornton), London
Hines J. (KPMG Peat Marwick), Birmingham
Hjiyiannadjis M.A. (Coopers & Lybrand), Nottingham
Ho E.Y.P. (Sharpe Fairbrother), London
Ho E.M.C. (Haines Watts), Reading
Hoare C.A. (KPMG Peat Marwick), Reading
Hobbs K.E. (KPMG Peat Marwick), London
Hockenhull N.E. (Hilton, Sharp & Clarke), Brighton
Hockey A.P. (KPMG Peat Marwick), Crawley
Hodgson E. (Coopers & Lybrand), London
Hodges L.J. (Coopers & Lybrand), Manchester
Hogg G. (Coopers & Lybrand), Newcastle Upon Tyne
Holder S.A. (Price Waterhouse), London
Holland D.C. (KPMG Peat Marwick), Chelmsford
Hollingsworth J.M. (Ernst & Young), Sheffield
Holme D.N. (KPMG Peat Marwick), London
Holmes I. (KPMG Peat Marwick), Darlington
Holmes M.E. (Coopers & Lybrand), London
Holmes P.A. (Bolton Colby), Staines
Holmes R.J. (Ernst & Young), London
Holroyd-Doveton B.J. (Price Waterhouse), London
Holt D.L. (Coopers & Lybrand), Manchester
Holt E.A. (Solomon Hare), Bristol
Hoo B.K.C. (Bright Grahame Murray), London
Hood J.A.S.T. (Coopers & Lybrand), London
Hope B.P. (Coopers & Lybrand), Birmingham
Hopkin S. (Neville Russell), London
Hopkins J.D. (Price Waterhouse), London
Hopkinson R.S. (Ernst & Young), London
Horsfield A.W. (Farmiloes), Birmingham
Horsley L.D. (Moores Rowland), Sevenoaks
Horvath A.P. (Touche Ross & Co.), Birmingham
Horwood R.I. (Price Waterhouse), London
Hostad B.D. (Store R.N. & Co), Grimsby
Hoszowskyj P. (Hardy & Company), Hyde
Hotchkin C.L. (Forrester Boyd), Grimsby
Houghton D.L. (Ernst & Young), Liverpool
Houston K.E.D. (Coopers & Lybrand), London
Howard R.J. (Coopers & Lybrand), London
Howe C.C. (Touche Ross & Co.), Cardiff
Howles C.F. (Ernst & Young), Southampton
Howlett B.A. (Sinclair Croydon), Billericay
Huckerby D. (Goodman Jones), London
Huckerby S.A. (Roberts McLennan), Woking
Hudson N.J. (Baker Tilly), Swindon
Hudson S.E. (Neville Russell), London
Hudson S.D. (Price Waterhouse), London
Hughes C.E. (Coopers & Lybrand), London
Hughes C.J. (KPMG Peat Marwick), Cardiff
Hughes M.A. (Smith & Williamson), London
Hughes R.J. (KPMG Peat Marwick), Nottingham
Hughes V.A. (Price Waterhouse), Leeds
Hugnin T. (Price Waterhouse), London
Hui K.K. (Clarks), Slough
Huish A.G. (Touche Ross & Co.), London
Hull A.C. (Coopers & Lybrand), London
Hume D.P. (Ernst & Young), London
Humphreys R.A. (Clark Whitehill), Cheltenham
Humphries D.J. (Touche Ross & Co.), London
Hung J.F. (KPMG Peat Marwick), London
Hung S.S.L. (Ernst & Young), Reading
Hunt A.J. (Price Waterhouse), London
Hunt C.P. (Forrester Boyd), Scunthorpe
Hunt D.E. (Ernst & Young), Cambridge
Hunt G.M. (Rouse & Co), Beaconsfield
Hunt M. (BDO Binder Hamlyn), London
Hunter C.J. (Coopers & Lybrand), London
Hunter D.J. (KPMG Peat Marwick), London
Hunter K. (KPMG Peat Marwick), Birmingham
Hurworth D.M. (Price Waterhouse), Hull
Hurworth G.R. (KPMG Peat Marwick), Darlington
Husain S.H. (KPMG Peat Marwick), Leeds
Hussain S. (Allwood Baird Hack), Chester
Hutchinson M.E.J. (KPMG Peat Marwick), London
Hutton E.N.C. (KPMG Peat Marwick), London

I

Igbinadolor E.A. (KPMG Peat Marwick), London
Ingham A.W. (Ernst & Young), Hull
Ingleby H. (Coopers & Lybrand), Leeds
Innes A.G. (KPMG Peat Marwick), London
Ioannides A. (Touche Ross & Co.), London
Ioannou A.S. (Price Waterhouse), London
Ioannou Y. (BDO Binder Hamlyn), London
Iouides M.G. (Ernst & Young), London
Irwin F.M. (Buzzacott & Co), London
Irwin P.J. (Touche Ross & Co.), London
Isaac C. (Wheawill & Sudworth), Huddersfield

J

Jackets M.A. (Stoy Hayward), London
Jackson A. (CWA Whitehills), Haywards Heath
Jackson A.J. (Arthur Andersen), London
Jackson C.J. (Price Waterhouse), Leicester
Jackson J.G. (Stoy Hayward), London
Jackson M.W. (KPMG Peat Marwick), Liverpool
Jackson M.A. (Touche Ross & Co.), Cambridge
Jackson S.J. (Arthur Andersen), London
Jacobs P. (Stoy Hayward), Beckenham
Jacobs S.M. (Ernst & Young), London
Jacobs W.H. (Cohen Arnold & Co), London
Jagarnath D.A. (Price Waterhouse), Leicester
James C.L. (Bishop Fleming), Bristol
James E. (KPMG Peat Marwick), Milton Keynes
James J. (Ernst & Young), London
James L.M. (Ernst & Young), Birmingham
Janjuah K.S. (Coopers & Lybrand), Uxbridge
Jaques R.D. (Coopers & Lybrand), Bristol
Jeakin N.P. (Pearn & Nicholls), Newquay
Jenkins C.B.D. (Ernst & Young), London
Jenkinson J.A. (Weeks Green), Southampton
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Ovington D.R. (Price Waterhouse), London
Owen C.M. (Coopers & Lybrand), London
Owen G.M. (Coopers & Lybrand), Leeds
Owen M.K. (Monahans), Swindon
Ozten A. (KPMG Peat Marwick), London

P

Page J.R. (Touche Ross & Co.), Leeds
Page N.R. (Price Waterhouse), London
Page S.J. (Coopers & Lybrand), Reading
Paget L. (Casson Beckman), London
Palframan K.R. (Ernst & Young), Birmingham
Palfrey A.R. (KPMG Peat Marwick), Norwich
Palmer I.P. (Clemas, Galton & Jenkins), Poole
Panayi A. (KPMG Peat Marwick), London
Panayiotou M.T. (Coopers & Lybrand), Leeds
Pande N. (Moss Woolf & Simons), Westcliff-On-Sea
Pang H. (Stoy Hayward), London
Pang M.L.T. (Simon Ling & Co.), Wallington
Pang T.D. (BDO Binder Hamlyn), London
Panteli A. (Fisher H.W. & Company), London
Parker A.J. (Pannell Kerr Forster), Douglas
Parker C.L. (KPMG Peat Marwick), Manchester
Parker J.S. (Price Waterhouse), London
Parker J.R.T. (Smith Cooper & Partners), Burton-On-Trent
Parr B.A. (Clark Whitehill), London
Parsons A. (Stephens F.W. & Co.), London
Parsons P.R. (Clement Rabjohns), Evesham
Pascoe J.M. (Ernst & Young), Southampton
Patel B.R. (KPMG Peat Marwick), Birmingham
Patel J.R. (KPMG Peat Marwick), London
Patel K.B. (KPMG Peat Marwick), London
Patel P.R. (KPMG Peat Marwick), London
Patel P. (KPMG Peat Marwick), London
Patel P.S. (Hillier Hopkins), Hemel Hempstead
Patel R.M. (Coopers & Lybrand), London
Patel S. (Stoy Hayward), London
Paterson B. (KPMG Peat Marwick), Manchester
Paterson D.J. (Arthur Andersen), London
Patterson P.C. (Coopers & Lybrand), Reading
Pattni R.C. (Morley & Scott), London
Pau M. (Blick Rothenberg), London
Payne A.D. (Arthur Andersen), Birmingham
Payne M.D. (Ernst & Young), Cambridge
Payne M.H. (Gane Jackson Scott), London
Peacock I.C. (Scrutton Bland), Colchester
Pearson G.S. (Price Waterhouse), London
Pearson J. (KPMG Peat Marwick), Birmingham
Pearson M.D.T. (Price Waterhouse), St. Albans
Pearson S.B. (Ernst & Young), Leicester
Peasley K.E. (Price Waterhouse), London
Pegler M. (Price Waterhouse), Birmingham
Pendergast J.N. (Coopers & Lybrand), Jersey
Pengelly A.J. (Price Waterhouse), London
Penney M.J. (KPMG Peat Marwick), London
Pennington C.A. (Pannell Kerr Forster), Douglas
Perchard S.R. (Coopers & Lybrand), Jersey
Perry J.H. (Spain Brothers), Sittingbourne
Perry S.M. (Menzies), Woking
Peters C.M. (Midgley, Snelling & Co), London
Petraki P. (KPMG Peat Marwick), Birmingham
Petrie L.A. (Arnold Hill & Co), London
Petrou P. (Coopers & Lybrand), London
Philippidou A. (KPMG Peat Marwick), London
Phillips A.M. (Touche Ross & Co.), Bristol
Phillips K.J. (Coopers & Lybrand), London
Phillips M.T. (Arthur Andersen), Leeds
Philpotts T.J. (Ernst & Young), Exeter
Pickard K.W. (Price Waterhouse), London
Pickering A.N. (KPMG Peat Marwick), Bristol
Pickford P.A. (Arthur Andersen), London
Pickles J.G. (Touche Ross & Co.), London
Pickles S. (John Gordon, Walton & Co), Leeds
Pierce J.B. (Coopers & Lybrand), London
Pieri C.T. (Arram Berlyn Gardner), London
Pilcher T.J. (Ernst & Young), Swindon
Pilley M. (Robson Rhodes), London
Pinckard A.C. (Ernst & Young), Bristol
Piolini G. (KPMG Peat Marwick), London
Piper I.G.C. (Whiting & Partners), Ely
Piper M.R.J. (Ernst & Young), Swindon
Pittal L.E. (Stoy Hayward), London
Plahay K.S. (Stoy Hayward), London
Plant K.A. (Reeves & Neylan), Canterbury
Plant S.L. (KPMG Peat Marwick), Birmingham
Plant T.K. (KPMG Peat Marwick), Manchester
Platt M.R. (Coopers & Lybrand), Birmingham
Pleass C.A. (Touche Ross & Co.), Manchester
Plumb N.J. (Solomon Hare), Chippenham
Plumer C.C. (KPMG Peat Marwick), London
Poh G.L.H. (KPMG Peat Marwick), London
Polanyi T. (Coopers & Lybrand), London
Pollard P. (KPMG Peat Marwick), London
Pollitt J. (Crossley Lomas), Glossop
Poole M. (KPMG Peat Marwick), London
Pooley R.G. (Price Waterhouse), London
Poon H.F. (Clarks), Slough
Pope J.S. (Coopers & Lybrand), London
Porter A.D. (Price Waterhouse), Windsor
Porter M. (Price Waterhouse), Manchester
Portno A.J. (Arthur Andersen), Bristol
Post C.J.M. (Ernst & Young), London
Potter C. (Coopers & Lybrand), London
Pottow A.J. (KPMG Peat Marwick), London
Pound J.A. (Arthur Andersen), London
Powlesland J. (Touche Ross & Co.), London
Pratley D.A. (Shelley Simmons Pinnick & Co), London
Pratten A.A. (KPMG Peat Marwick), London
Prendergast S.P.S. (Prendergast A.C.), Hay On Wye
Preston D.E. (Coopers & Lybrand), London
Price A.L. (Pannell Kerr Forster), London
Price S.J. (Coopers & Lybrand), London
Price W.C. (Grant Thornton), Cheltenham
Priebe C.C.K. (Kidsons Impey), London
Prince M.J. (Ernst & Young), London
Pritchard H.Z. (KPMG Peat Marwick), Leeds
Pryce J.G. (Pannell Kerr Forster), Nottingham
Puri R. (Coopers & Lybrand), London
Purkis J.J.E. (Ernst & Young), Bristol
Purves N.C.H. (KPMG Peat Marwick), London
Purvis G.J. (Stoy Hayward), London
Puthucheary J.J. (KPMG Peat Marwick), London
Pycroft V.L. (KPMG Peat Marwick), Manchester

Q

Quayle M.J. (KPMG Peat Marwick), Preston
Quek W.L. (KPMG Peat Marwick), London
Quin J.B. (Coopers & Lybrand), London
Qureshi P.C. (Berkeley Jackson), Shepton Mallet

R

Radcliffe D.A. (KPMG Peat Marwick), Douglas
Rae I.K. (Coopers & Lybrand), London
Rainey R.E.H. (Coopers & Lybrand), Nottingham
Raithatha J. (Johnsons), London
Ralph G.C. (Blease Lloyd), London
Randall S.J. (KPMG Peat Marwick), London
Ranson C.L. (KPMG Peat Marwick), London
Rawlinson N.J. (Touche Ross & Co.), London
Rayner B.T.W. (Price, Bailey), Cambridge
Read A. (Blythens), Nottingham
Read T.A. (Coopers & Lybrand), Southampton
Readshaw K.I. (KPMG Peat Marwick), Leeds
Reast R.J. (KPMG Peat Marwick), St. Albans
Redding S.A. (KPMG Peat Marwick), London
Redman M.M. (Grant Thornton), London
Redmond V. (Ernst & Young), London
Reed D.J. (Stoy Hayward), London
Reed E. (Fisher H.W. & Company), London
Reedy K. (Dutton Moore Atkin Gilbert), Hull
Reeve H.T.B. (Coopers & Lybrand), Reading
Reeve K.S. (KPMG Peat Marwick), Guildford
Regan F.T. (Coopers & Lybrand), London
Reid E.D. (Andrew Moore & Co), Sudbury
Reid K.E.J. (Levy Gee), London
Reid L.A. (Fraser & Russell), London
Rennie L. (Coopers & Lybrand), Edinburgh
Renwick G.A. (Price Waterhouse), Nottingham
Renwick P. (Cole, Dickin & Hills), Seaford
Reynard A.J. (Coopers & Lybrand), London
Reynolds A.R. (Price Waterhouse), London
Reynolds D.H. (KPMG Peat Marwick), London
Reynolds G.M. (KPMG Peat Marwick), Cardiff
Rhodes N. (Grant Thornton), Manchester
Rhodes P.G. (Robson Rhodes), London
Rhodes S.C. (Coopers & Lybrand), London
Richards J.N.T. (Coopers & Lybrand), London
Richards K.T.J. (Hazlewoods), Cheltenham
Richards R.J. (Sephton & Co), Solihull
Richardson J. (KPMG Peat Marwick), London
Richardson S.L. (Price Waterhouse), London
Richmond R.P. (Coopers & Lybrand), Northampton
Rickers S. (Grant Thornton), London
Riddell M.T. (Coopers & Lybrand), Uxbridge
Ridgeway K.S. (Barber, Harrison & Platt), Sheffield
Rigby N.M. (Roffe Swayne), Godalming
Riley P.J. (Grant Thornton), Southampton
Riley P.E. (Arthur Andersen), Manchester
Rimmer E.N. (Touche Ross & Co.), London
Rimmer P.R. (Kidsons Impey), Chester
Rimmington D.A. (KPMG Peat Marwick), Manchester
Rimmington S. (Price Waterhouse), London
Rintoul E.L. (Kidsons Impey), Hull
Ritchie D.J. (KPMG Peat Marwick), Bristol
Ritchie I.D. (Ernst & Young), Sheffield
Ritchie J. (Grant Thornton), Oxford
Ritchie R.D. (Milne Ross), Swindon
Rivett C.J. (Ernst & Young), London
Robbins S.C. (Coopers & Lybrand), London
Roberts C.J. (KPMG Peat Marwick), Leeds
Roberts D.B. (Coopers & Lybrand), London
Roberts G.H. (Price Waterhouse), Cardiff
Roberts J.E. (Kasmir Woolf), London
Roberts M. (Arthur Andersen), Nottingham
Robins I.D. (Ernst & Young), Manchester
Robinson A. (Clough & Company), Bradford
Robinson D.J. (Touche Ross & Co.), Manchester
Robinson D.R. (Nunn Brown & Dales), Gerrards Cross
Robinson G. (Grant Thornton), Brighton
Robinson G.R. (Hazlewoods), Cheltenham
Robinson J. (KPMG Peat Marwick), London
Robinson K.A. (Ernst & Young), Southampton
Robinson T.E. (Rickard Keen & Co), Southend-On-Sea
Robinson T.S. (BDO Binder Hamlyn), London
Rocke D.M. (Touche Ross & Co.), Birmingham
Roddis S.J.E. (Coopers & Lybrand), London
Roebuck S.C.A. (Coopers & Lybrand), London
Rogers J.F.B. (Hacker Young), London
Rogers S. (Stoy Hayward), Newbury
Romans C.D. (Arthur Andersen), Birmingham
Ronan H.L. (Kidsons Impey), Hereford
Rones R.J. (Fisher H.W. & Company), London
Roohi Larijani M.E. (Levy Gee), London
Roome J.E. (Coopers & Lybrand), Reading
Rose S.E. (KPMG Peat Marwick), Birmingham
Ross M.J. (Arthur Andersen), London
Ross T.M. (Price Waterhouse), Windsor
Roth D.J. (KPMG Peat Marwick), St. Albans
Rothman R.L.E. (Rothman Pantall & Co.), Winchester
Roundell S.P. (KPMG Peat Marwick), Milton Keynes
Rowe D. (Lacy, Watson & Co), Stockport
Rowell J.G. (Rabjohns), Worcester
Rowland J.M. (Ernst & Young), London
Rowley A.J. (Arthur Andersen), Manchester
Rowley H.L. (Touche Ross & Co.), Leicester
Rowney C.M. (KPMG Peat Marwick), Guildford
Rowson A.H. (Ernst & Young), London
Roxburgh S.A. (Coopers & Lybrand), London
Royan J.B. (Brooking, Knowles & Lawrence), Winchester
Royston R.S. (Ernst & Young), London
Ruckman G.R. (Coopers & Lybrand), Leeds
Rughani S.R. (Levy Gee), London
Rumley J.E. (Kingston Smith), St. Albans
Rushby J.A. (Grant Thornton), Cardiff
Rushton D.S. (Ernst & Young), London
Rushton J.K. (Coopers & Lybrand), Manchester
Russell N.D. (Price Waterhouse), London
Russell P.B. (KPMG Peat Marwick), Maidstone
Russell R.H. (Moore Stephens), London
Russell S.A. (Brewers), London
Russell S.J. (Price Waterhouse), Windsor
Rutherford W.S. (Coopers & Lybrand), London
Ryall D.C. (Cooper Parry Prior & Palmer), Nottingham
Rylance E.P.H. (Arthur Andersen), London

S

Sadler S. (Price Waterhouse), Newcastle Upon Tyne
Sahota S.S. (Barron Rowles Bass), London
Salmon B.E. (Touche Ross & Co.), Douglas
Salzedo S.L. (Price Waterhouse), London
Salzman D.G. (KPMG Peat Marwick), London
Sanders D.A. (Lyon Pilcher), Southampton
Sanders J. (BDO Binder Hamlyn), London
Sanderson D.W. (Moores Rowland), London
Sandhu D.S. (Coopers & Lybrand), Croydon
Sandow F.K. (Dixon Walsh), Taunton
Sangani R. (Littlejohn Frazer), London
Sansom J.A.T. (Jackson, Holledge & White), Bristol
Sargeant A. (Rawlinson & Hunter), London
Sargeant M. (Wilkins Kennedy), Orpington
Sarna S.M. (Touche Ross & Co.), London
Saunders M.J. (Price Waterhouse), Birmingham
Saunders P.J.A. (Touche Ross & Co.), London
Saville E.P. (Coopers & Lybrand), London
Saville J.E. (Casson Beckman), London
Sayers G.J. (Price Waterhouse), London
Scaiff N.C. (Ernst & Young), Birmingham
Scarborough J. (Coopers & Lybrand), London
Schofield P.J. (Price Waterhouse), London
Scott C.E. (Price Waterhouse), London
Scott M. (BDO Binder Hamlyn), London
Scullion M.L. (KPMG Peat Marwick), London
Seabrook J.G. (KPMG Peat Marwick), Maidstone
Seale M.L. (Neville Russell), Sutton
Searby E.M. (Pannell Kerr Forster), Nottingham
Searle R.M. (BDO Reads), Guernsey
Searle S.C. (Coopers & Lybrand), Southampton
Seddon P. (Price Waterhouse), Leeds
Seekings D.J.E. (KPMG Peat Marwick), York
Sefton S.J. (Blick Rothenberg), London
Selig J.H. (Price Waterhouse), Manchester
Sellers C.L. (Stoy Hayward), London
Serck-Hanssen E. (Coopers & Lybrand), London
Shackley D.W. (Coopers & Lybrand), London
Shah A.P. (Coopers & Lybrand), London
Shah B. (Cooper Lancaster & Co), London
Shah B.R. (Touche Ross & Co.), London
Shah B.N. (Coopers & Lybrand), London
Shah D.K. (Daniel Auerbach & Co), London
Shah H.S. (Coopers & Lybrand), London
Shah J.A. (Ernst & Young), London
Shah M.D. (KPMG Peat Marwick), London
Shah M.R. (KPMG Peat Marwick), London
Shah N.B. (Price Waterhouse), London
Shah R.P. (Touche Ross & Co.), London
Shah S. (Morison Stoneham), London
Shah S.P. (Coopers & Lybrand), London
Shah V. (KPMG Peat Marwick), London
Shanley L.J. (KPMG Peat Marwick), Truro
Shariatmadari S. (KPMG Peat Marwick), London
Sharma A. (KPMG Peat Marwick), London
Sharma A. (Scodie Deyong), London
Sharp J. (Ernst & Young), London
Sharp J.R.C. (Touche Ross & Co.), London
Sharp R. (Arthur Andersen), London
Shaw A.G. (KPMG Peat Marwick), Huddersfield
Shaw A.H. (Coopers & Lybrand), London
Shaw L.E. (KPMG Peat Marwick), London
Shaw M.N. (Coopers & Lybrand), Leeds
Shaw M.W. (Ernst & Young), Manchester
Shaw S.A. (Coopers & Lybrand), Leeds
Shaw W.J.E. (Arthur Andersen), London
Sheehy D. (KPMG Peat Marwick), London
Shek S.C.P. (Coopers & Lybrand), London
Sheldon-Whalley G.B. (KPMG Peat Marwick), St. Albans
Shepherd M.R. (Coopers & Lybrand), Croydon
Shepley R.J. (Price Waterhouse), London
Shepley S.A. (Price Waterhouse), London
Sheppard M. (Plummer Parsons), Eastbourne
Sheppard M.D. (Arthur Andersen), Birmingham
Sherazee T. (Coopers & Lybrand), London
Sherratt E.J. (Price Waterhouse), Manchester
Sherwood A.K. (Walker G.R. & Co), Hartlepool
Sherwood D. (Ernst & Young), Manchester
Sherwood N.M. (Ernst & Young), Birmingham
Shakkas P. (Coopers & Lybrand), London
Shilling A. (Touche Ross & Co.), London
Shing C. (Moore Stephens), London
Shinnie D.S. (Price Waterhouse), Birmingham
Shipman D. (KPMG Peat Marwick), Birmingham
Shore S.P. (KPMG Peat Marwick), Leeds
Shringarpure A.J. (Brebner, Allen & Trapp), London
Siah S.K. (Touche Ross & Co.), London
Siddiqi N. (Levy Gee), London
Sidebottom A.M. (Garbutt & Elliott), York
Sim J.C.L. (KPMG Peat Marwick), London
Siman J.D. (Touche Ross & Co.), Crawley
Simmons M.A. (Stoy Hayward), London
Simpson A.B. (Rose, Moffat & Co), London
Simpson E.I. (Coopers & Lybrand), London

Simpson N.S. (Stoy Hayward), London
Sims K. (Coopers & Lybrand), Cambridge
Singh M. (KPMG Peat Marwick), London
Singh R. (Price Waterhouse), Liverpool
Sipson I. (Chantrey Vellacott), London
Sissons D.S.J. (Touche Ross & Co.), Liverpool
Sivapragasam E.S. (Stoy Hayward), London
Skanthan S. (KPMG Peat Marwick), London
Skelton J.A. (Price Waterhouse), London
Skinner G.M. (KPMG Peat Marwick), London
Skrastin M. (Sayers Butterworth), London
Slattery P.F. (Price Waterhouse), Nottingham
Smedley C.J.A. (Price Waterhouse), London
Smith A.J. (Fraser & Russell), London
Smith A.H. (Ernst & Young), Birmingham
Smith A.J. (Kidsons Impey), Birmingham
Smith A.M. (Thornton, Harper & Relph), Preston
Smith A.J. (Coopers & Lybrand), Manchester
Smith D.P. (Coopers & Lybrand), Leeds
Smith D.E. (Clark Whitehill), London
Smith D.J. (Touche Ross & Co.), Bristol
Smith D.R. (Coopers & Lybrand), Leeds
Smith G.V. (Newby Castleman), Leicester
Smith J.A. (KPMG Peat Marwick), Basingstoke
Smith J.N.B. (KPMG Peat Marwick), Guildford
Smith J.T. (Price Waterhouse), Bristol
Smith J.E. (Arthur Andersen), Leeds
Smith J.C. (Kidsons Impey), Norwich
Smith J.B. (Price Waterhouse), London
Smith J.D. (Grant Thornton), Aylesbury
Smith K.A. (Kidsons Impey), Chester
Smith M.J.K. (Price Waterhouse), London
Smith N.C. (KPMG Peat Marwick), Leeds
Smith N.C. (KPMG Peat Marwick), London
Smith N.A. (Price Waterhouse), Southampton
Smith P.J. (Grant Thornton), Oxford
Smith P.W. (Touche Ross & Co.), Manchester
Smith R.C. (Touche Ross & Co.), Leeds
Smulkie N.D. (Coopers & Lybrand), London
Smyth H.M. (Ernst & Young), London
Smyth M.H.L. (Albert Goodman), Taunton
Snowall C.A.W. (Price Waterhouse), London
Soanes I.D. (Coopers & Lybrand), London
Sohal J.S. (Coopers & Lybrand), Birmingham
Soon S.L. (Touche Ross & Co.), London
Southwell P.H. (Touche Ross & Co.), London
Soson G. (KPMG Peat Marwick), London
Spall C.J. (KPMG Peat Marwick), London
Sparham-Souter I.J. (KPMG Peat Marwick), London
Spark O.J. (Price Waterhouse), London
Spencer C.A.E. (KPMG Peat Marwick), Southampton
Spencer P.L. (Arthur Andersen), Cambridge
Spiers A.M. (Touche Ross & Co.), London
Spinks H.M. (Ernst & Young), Peterborough
Spooner A.C. (KPMG Peat Marwick), Nottingham
Spooner H.C.R. (Touche Ross & Co.), Milton Keynes
Sriranjan R.R. (Ernst & Young), London
St John I.S. (Rose, Moffat & Co), London
Stacey I. (Rayner Essex), St. Albans
Stacey P.A. (Coopers & Lybrand), London
Stairmand R.J. (Coopers & Lybrand), London
Stanfield N.A. (KPMG Peat Marwick), London
Stanforth A.S.L. (Baker Tilly), London
Stanley J.R.S. (Coopers & Lybrand), Reading
Stanley-Jones C.S. (Roberts McLennan), Woking
Stannard A. (Alliotts), Croydon
Stannett R.W. (Stoy Hayward), London
Stanton R.H. (Touche Ross & Co.), Leeds
Stedman S.C. (KPMG Peat Marwick), London
Stenzel C. (Coopers & Lybrand), Bristol
Stephenson P.R. (Touche Ross & Co.), London
Stephenson S.J. (Coopers & Lybrand), London
Stephenson T.R. (Pannell Kerr Forster), London
Stevens C.J.R. (Stoy Hayward), London
Stevens E. (KPMG Peat Marwick), Nottingham
Stevenson F.B. (KPMG Peat Marwick), Milton Keynes
Stewart S.S. (KPMG Peat Marwick), London
Stibbard J.C. (Rothman Pantall & Co.), Eastleigh
Stock N.E. (Rayner Essex), St. Albans
Stockdale M.W.J. (Burton Sweet), Bristol
Stokes P.J.A. (Price Waterhouse), London
Stone I.M. (Coopers & Lybrand), Cardiff
Stone M.D. (Touche Ross & Co.), London
Stovold K.V. (Coopers & Lybrand), London
Strachan A.J. (Touche Ross & Co.), Leeds
Strachan K.A. (Touche Ross & Co.), Manchester
Strange G.M. (Baker Tilly), Bradford
Street R.D. (Ernst & Young), Norwich
Stretch D. (KPMG Peat Marwick), Newcastle Upon Tyne
Strong A.J. (Touche Ross & Co.), London
Stubley N.J. (Ernst & Young), Manchester
Sturgeon A.J.S. (Gilbert Allen & Co), Tonbridge
Sturgeon D.A. (Arthur Andersen), London
Stylianou C. (Kidsons Impey), London
Somar S. (Javed & Co), Birmingham
Summers M.A. (Price Waterhouse), London
Sumner R.J. (Coopers & Lybrand), London
Sundar S.C.D. (Pannell Kerr Forster), Luton
Sutherland M.J. (Coopers & Lybrand), Uxbridge
Suttle T.M. (KPMG Peat Marwick), Oxford
Sutton L.A. (Kirby, Smale & Co), Coventry
Swabey C.E.M. (Arthur Andersen), London
Swarbrick A. (Ernst & Young), Manchester
Swift J.E. (Pannell Kerr Forster), Manchester
Swift M.J.R. (Coopers & Lybrand), Maidstone
Swinney V.C. (Coopers & Lybrand), London
Sykopetritis E.E. (Pannell Kerr Forster), London
Symons E.J. (KPMG Peat Marwick), Bristol

T

Talati S.A. (Goodman Jones), London
Tallents J.A. (Touche Ross & Co.), Bracknell
Talmer S.E. (Ernst & Young), Reading
Tan J. (Coopers & Lybrand), London
Tan K.C. (Ernst & Young), London
Tan R. (Touche Ross & Co.), London
Tan S.H. (Saffery Champness), London
Tan Y.L. (Lubbock Fine), London
Tang T. (KPMG Peat Marwick), London
Tapp P.W.J. (Bishop Fleming), Torquay
Tarney M.J. (Coopers & Lybrand), Birmingham
Tasker S.H. (Price Waterhouse), London
Taunque A.S. (Coopers & Lybrand), London
Taylor A.N. (Price Waterhouse), London
Taylor F.L. (Buzzacott & Co), London
Taylor J.R. (McCabe Ford & Williams), Sittingbourne
Taylor M.A. (Stoy Hayward), London
Taylor M.P.J. (Price Waterhouse), London
Taylor N. (KPMG Peat Marwick), London
Taylor P.E. (Larking Gowen), Norwich
Taylor R.S. (Pierce), Blackburn
Taylor S. (Price Waterhouse), London
Teare A.G.B. (Touche Ross & Co.), London
Teasdale N.J. (Jennings Johnson), Sunderland
Templer M. (Knox Cropper), London
Thake A.R. (Stoy Hayward), London
Thakerar D. (Adler Shine & Co), Edgware
Thanki H.T. (KPMG Peat Marwick), London
Theobald P.M. (Grant Thornton), Luton
Thomas A.C. (KPMG Peat Marwick), Leicester
Thomas H. (Clay Shaw Thomas), Bridgend
Thomas J. (Arthur Andersen), Nottingham
Thomas K.L. (KPMG Peat Marwick), Middlesbrough
Thomas L.T. (KPMG Peat Marwick), Birmingham
Thomas M.A. (Duncan & Toplis), Grantham
Thomas N. (KPMG Peat Marwick), London
Thomas P. (Brebner, Allen & Trapp), London

Thomas S.M. (Touche Ross & Co.), London
Thompson D.J. (Touche Ross & Co.), London
Thompson G.M. (Fraser & Russell), Hertford
Thompson J.F. (Harris, Walters), Winchester
Thompson P.M. (Kidsons Impey), Chelmsford
Thompson R.M.J. (Price Waterhouse), London
Thomson E. (Ernst & Young), London
Thomson S.V. (Arthur Andersen), Nottingham
Thorburn J.A. (Touche Ross & Co.), Manchester
Thorne A.D. (Brooking, Knowles & Lawrence), Fareham
Thornton I.R. (Wenham Major), Birmingham
Thorpe S.A. (KPMG Peat Marwick), London
Thresh C.R. (Price Waterhouse), London
Thursfield I.C. (KPMG Peat Marwick), London
Tibb S. (Levy Gee), London
Timbrell J.D. (Ernst & Young), Sheffield
Timms F.C. (Clement Keys), Birmingham
Tiplady S.J. (Price Waterhouse), Windsor
Tipton D.C. (Harper Broom Roberts), Maidenhead
Titt N.J. (Coopers & Lybrand), Bournemouth
To A.T. (Arthur Andersen), Birmingham
Toal K.A. (KPMG Peat Marwick), London
Todd C.J. (KPMG Peat Marwick), Basingstoke
Todd C.M. (Stoy Hayward), Nottingham
Todd E.J. (Bishop Fleming), Torquay
Todd J. (Gruber Levinson Franks), Warrington
Todd J.F.B. (KPMG Peat Marwick), Norwich
Tolani S.J. (Price Waterhouse), London
Tolson E.M. (Brading Barber), Newbury
Tombleson P.J. (KPMG Peat Marwick), London
Tombs G.S. (Levy Gee), London
Tomlinson S.A. (Price Waterhouse), Southampton
Tonkin A.J. (KPMG Peat Marwick), Plymouth
Tonks R.J. (Ernst & Young), Southampton
Tonroe M.J. (Spicer & Oppenheim), Bolton
Tooze J. (KPMG Peat Marwick), Derby
Tough S.G. (KPMG Peat Marwick), London
Tout S.E. (KPMG Peat Marwick), London
Townsend M.J.B. (KPMG Peat Marwick), Manchester
Trees A.M. (Leach Bright), Guildford
Treon S. (KPMG Peat Marwick), London
Trickett P.R. (Arthur Andersen), Manchester
Trigg N.E. (Coopers & Lybrand), Birmingham
Trist H.C. (Martin & Company), Bridport
Troup K.J. (Coopers & Lybrand), London
Trow D.J. (Price Waterhouse), St. Albans
Trueman R.M. (Ernst & Young), Birmingham
Trundle S.J. (Coopers & Lybrand), London
Tsang C.H. (Pridie Brewster), London
Tsang R. (Arthur Andersen), London
Tsang W.H. (Gruber Levinson Franks), Manchester
Tsolakis C. (Coopers & Lybrand), Birmingham
Tucker J.L. (KPMG Peat Marwick), London
Tucker S.A. (Burgess Hodgson & Co), Canterbury
Tully R.P. (KPMG Peat Marwick), Newcastle Upon Tyne
Tully W.S.N. (Price Waterhouse), London
Turkmen S. (Arthur Andersen), London
Turley A.J. (Arthur Andersen), Birmingham
Turnbull P.R. (KPMG Peat Marwick), London
Turner A.J. (Touche Ross & Co.), Newcastle Upon Tyne
Turner A.L. (Price Waterhouse), Southampton
Turner C.M. (Kidsons Impey), Chester
Turner J.E. (Reads & Co), London
Turner K.M. (Hacker Young), London
Turner M.R.C. (Robson Rhodes), London
Turner M.J. (KPMG Peat Marwick), Crawley
Turner P.A. (Moore Stephens), London
Turner S.L. (Fisher H.W. & Company), London

U

Uberoi A. (Coopers & Lybrand), London
Ullmann P.L. (KPMG Peat Marwick), St. Albans
Underwood M.D. (Baker Tilly), Manchester
Uppal M. (KPMG Peat Marwick), London

V

Vadas A.C. (KPMG Peat Marwick), Nottingham
Valera A.M. (Pannell Kerr Forster), Leicester
Vallance L. (Coopers & Lybrand), London
Vanpercy P.E.A. (Hacker Young), London
Varnanos C.P. (Midgley, Snelling & Co), London
Vassilounis N.A. (Mitchells), Bishop Auckland
Vekaria M. (Kidsons Impey), Coventry
Vella N. (Price Waterhouse), London
Verbruggen R. (BDO Binder Hamlyn), London
Verdin C.P. (KPMG Peat Marwick), London
Vesey K.A. (Touche Ross & Co.), London
Vij A.K. (Price Waterhouse), Newcastle Upon Tyne
Vincent P.J. (KPMG Peat Marwick), Maidstone
Vithaldas V. (Hugill & Co), London
Vondy J.N. (Pannell Kerr Forster), Douglas
Voon V.C.L. (Arthur Andersen), London
Vrancken D.C. (Coopers & Lybrand), London
Vye A.J. (Elliotts), London

W

Waddington A.J. (Ernst & Young), Leeds
Wade R.D. (Ernst & Young), London
Wadhwani P.J. (Coopers & Lybrand), London
Wadsworth J.M. (Clark Whitehill Josolyne), Bradford
Wakelam J.C. (Price Waterhouse), Birmingham
Waldram A.J. (Price Waterhouse), Manchester
Waldron S.J. (Solomon Hare), Chipping Sodbury
Walker A. (Price Waterhouse), London
Walker A. (Pannell Kerr Forster), Leeds
Walker C.A. (KPMG Peat Marwick), London
Walker C.J. (Hazlewoods), Cheltenham
Walker D.J. (Coopers & Lybrand), London
Walker I.C. (KPMG Peat Marwick), Leeds
Walker P. (Kidsons Impey), Spalding
Wall K.E. (Stoy Hayward), London
Wallace J.S. (John Gordon, Walton & Co), Leeds
Wallace K. (James & Cowper), Newbury
Wallace N.S. (Touche Ross & Co.), Newcastle Upon Tyne
Walmsley M.A. (KPMG Peat Marwick), London
Walpole T.J. (Ernst & Young), London
Walsh A.P. (Touche Ross & Co.), London
Walsh C.E. (Coopers & Lybrand), Jersey
Walsh H. (Coopers & Lybrand), Leeds
Walsh K.N. (Coopers & Lybrand), Jersey
Walter C.N. (Touche Ross & Co.), London
Walters A.D. (Chantrey Vellacott), London
Walters M.A.L. (BDO Binder Hamlyn), London
Wan A.C.K. (Nash Broad Wesson), London
Wan J.Y.Y. (Coopers & Lybrand), London
Wan S.Y.S. (Nash Broad Wesson), London
Wan S. (Coopers & Lybrand), London
Wang P.H.F. (Simmons Cohen Fine), London
Ward J. (Kidsons Impey), London
Ward J.J. (Whiting & Partners), March
Ward K.J. (Murray Smith & Co), Northwich
Ward M.G. (Coopers & Lybrand), Leeds
Wardle M.J. (KPMG Peat Marwick), London
Wardley T.A. (KPMG Peat Marwick), London
Warner A. (Turnbull Sudell Ballantyne), Aldershot
Warner M. (Price Waterhouse), Newcastle Upon Tyne
Warner R.J. (KPMG Peat Marwick), London
Warwick S.R. (Ernst & Young), London
Waters J.M. (Dutton Moore Atkin Gilbert), Hull
Watkins B.C. (Coopers & Lybrand), Northampton
Watkins P.D. (Ernst & Young), Reading
Watkinson P.L.M. (KPMG Peat Marwick), London
Watson A. (BDO Binder Hamlyn), London

Watson B.R.S. (Neville Russell), Dudley
Watson M.M. (Coopers & Lybrand), London
Watts G.A. (KPMG Peat Marwick), Birmingham
Webster J.M.C. (Stoy Hayward), London
Weeks A. (Coopers & Lybrand), Manchester
Weirs M.C. (Price Waterhouse), Newcastle Upon Tyne
Welch C.J. (Coopers & Lybrand), London
Welch M.B. (Coopers & Lybrand), Cardiff
Wells L.J.L. (Price Waterhouse), London
Wells P.J. (Ernst & Young), Leicester
West D.J. (Winter Rule), Truro
West J.N. (Kidsons Impey), Manchester
West L.P. (Dixon Wilson), London
Westmoreland S. (Arthur Andersen), Manchester
Weston S.G. (Price Waterhouse), Birmingham
Wetherill J.W.R. (BDO Binder Hamlyn), London
Whalley P.A. (KPMG Peat Marwick), London
Wharam M.W. (Price Waterhouse), London
Wheeler C. (BDO Binder Hamlyn), London
Wheeler R.S. (Rawlinsons), Peterborough
Whetstone H.P.E. (Arthur Andersen), London
White J.J. (KPMG Peat Marwick), Cambridge
White J.P. (Coopers & Lybrand), London
White J.H.C. (Touche Ross & Co.), London
White K.L. (Grant Thornton), London
White M.A. (Solomon Hare), Bristol
White M.R. (BDO Binder Hamlyn), London
White M.J. (Coopers & Lybrand), London
White R.S. (Ernst & Young), Manchester
White R.S. (Price Waterhouse), London
White S.D. (Arthur Andersen), London
Whitehall H.K. (KPMG Peat Marwick), London
Whitehead I.R. (Casson Beckman), London
Whitehurst P.L. (Ernst & Young), Manchester
Whiteley K.L. (Ernst & Young), Hull
Whitfield D. (KPMG Peat Marwick), Birmingham
Whitford A.J. (Grant Thornton), London
Whitham D.P. (Arthur Andersen), London
Whitten A.D. (Touche Ross & Co.), London
Whittle C.J. (Price Waterhouse), London
Whitton A.J. (Arthur Andersen), London
Whyte B.J. (Price Waterhouse), London
Wicks S.D. (Arthur Andersen), Birmingham
Wicks S.L. (KPMG Peat Marwick), Exeter
Wilcox S.J. (KPMG Peat Marwick), Manchester
Wilde P. (Price Waterhouse), Leeds
Wiles A.F. (Arthur Andersen), Birmingham
Wiles S.J. (Coopers & Lybrand), London
Wiley G.F. (Touche Ross & Co.), Newcastle Upon Tyne
Wilkins H.B. (KPMG Peat Marwick), Guildford
Wilkins L. (Alliotts), Rotherham
Wilkinson A.J. (BDO Binder Hamlyn), Leeds
Wilkinson D.M. (KPMG Peat Marwick), Bradford
Wilkinson L.A. (Gilberts), St. Albans
Wilkinson L.C. (KPMG Peat Marwick), Birmingham
Wilkinson R.B. (Touche Ross & Co.), Liverpool
Wilkinson R.F. (Ernst & Young), Luton
Willcox K.J. (KPMG Peat Marwick), London
Williams A.J. (KPMG Peat Marwick), London
Williams A.P. (Clark Whitehill), London
Williams A.D. (Touche Ross & Co.), Newcastle Upon Tyne
Williams C. (Arthur Andersen), Nottingham
Williams C.G. (Hacker Young), Bristol
Williams D.R.L. (KPMG Peat Marwick), London
Williams D. (Ernst & Young), London
Williams D.G.C. (Price Waterhouse), London
Williams D.J. (KPMG Peat Marwick), Cardiff
Williams E.G. (Kidsons Impey), Oxford
Williams H.C. (KPMG Peat Marwick), Bristol
Williams J.K. (Littlejohn Frazer), London
Williams J.K. (Ernst & Young), Liverpool
Williams R.E. (KPMG Peat Marwick), London
Williams R.G. (Spain Brothers), Folkestone
Williams S.P. (Arthur Andersen), London
Williams W. (Touche Ross & Co.), Bournemouth
Willis P.D. (KPMG Peat Marwick), Leeds
Willis P.G. (Touche Ross & Co.), Bracknell
Willman L.D. (Apsleys), Tiverton
Willmott J.M. (Moore Stephens), London
Wills D.J. (KPMG Peat Marwick), Birmingham
Wills J. (Ernst & Young), Bristol
Wilson A.J.O. (Ernst & Young), London
Wilson A. (Lane Heywood Davis), London
Wilson A.S. (Coopers & Lybrand), London
Wilson C. (Coopers & Lybrand), Newcastle Upon Tyne
Wilson C. (Coopers & Lybrand), Newcastle Upon Tyne
Wilson P.I. (Price Waterhouse), Leicester
Wilson S. (Lubbock Fine), London
Wilson T.G. (MacIntyre Hudson), Bedford
Winchester R.F. (Arthur Andersen), London
Windle R.A. (Coopers & Lybrand), Northampton
Winfield M.W. (Lishman, Sidwell, Campbell & Price), Harrogate
Wingfield T.E. (Coopers & Lybrand), Cambridge
Witham D. (Bryden, Johnson & Co), Croydon
Wlosek M.K. (KPMG Peat Marwick), London
Woffenden M. (Kidsons Impey), Birmingham
Wollaston M.J. (Arthur Andersen), Reading
Wong F.W.C. (Blick Rothenberg), London
Wong Sun-Wai W.T.T. (KPMG Peat Marwick), London
Wood M.A.K. (Price Waterhouse), Leeds
Wood R.D.S. (Coopers & Lybrand), London
Wood T.J. (Arthur Andersen), London
Woodall P.L. (Arthur Andersen), Bristol
Woodhead N.J. (KPMG Peat Marwick), London
Woodland H.F. (Neville Russell), Birmingham
Woodland S.R. (Price Waterhouse), London
Woods E.J. (Price Waterhouse), London
Woods J.A. (KPMG Peat Marwick), London
Woodworth C. (KPMG Peat Marwick), Birmingham
Wooldridge R. (KPMG Peat Marwick), London
Woolley N.A. (Coopers & Lybrand), London
Woolman J. (Touche Ross & Co.), London
Wordsworth P. (Armstrong Watson & Co), Carlisle
Wormald C.E. (KPMG Peat Marwick), Liverpool
Wormald D.M. (Ernst & Young), Southampton
Worthington S. (Touche Ross & Co.), Bracknell
Wouldham D.G. (Ernst & Young), Hull
Wright J.M. (Touche Ross & Co.), Leeds
Wright M.J. (Critchleys), Oxford
Wright M.S.N. (Touche Ross & Co.), London
Wright P.J. (Moores Rowland), Reading
Wrightson J.A. (Hartley Fowler), London
Wrigley J.M. (Hacker Young), London
Wyness B.A. (KPMG Peat Marwick), London

Y

Yeadon J.M. (Grant Thornton), Bournemouth
Yelland C. (Arthur Andersen), Birmingham
Yiacoumi P.N. (King, Hope & Co), Northallerton
Yiakoumi I.N. (Whittaker & Co), Luton
Yip S.C.W. (Weeks Green), Southampton
Yong B.W. (Touche Ross & Co.), Dartford
Young C.L. (Chantrey Vellacott), London
Young J.C.C. (Kidsons Impey), Hove
Young M.J. (Stoy Hayward), London
Young S.M. (Touche Ross & Co.), Birmingham
Yu J. (KPMG Peat Marwick), Birmingham

Z

Zafar N. (Price Waterhouse), Leicester
Zielinski A.J. (MacIntyre Hudson), Northampton

COMMODITIES AND AGRICULTURE

Ukrainians in Moscow to seek gas row solution

By Leyla Boulton in Moscow

RUSSIAN AND Ukrainian leaders gather for 11th hour talks in Moscow today to find a deal on debts and energy after Russia extended a deadline, which expired yesterday, for cutting off natural gas supplies to Ukraine.

Mr Rem Vyakhirev, acting head of Gasprom, the state-owned gas monopoly said that the deliveries could be cut off as early as Sunday unless Ukraine paid world prices for 1bn cubic metres of gas it had received this year. The postponement of the threat is designed to allow for talks beginning today between Ukrainian prime minister, Mr Leonid Kuchma, and Mr Viktor Chernomyrdin, the former head of Gasprom and now prime minister of Russia.

Although various figures have been provided – ranging from the world price of $85 per 1,000 cu m to Rbs26,000 (less than $50 at present exchange rates, including export taxes depending on which Russian official is talking) – it is not quite clear what world prices Russia wants to charge Ukraine.

Nor is it clear what Ukraine means when it counters that it will increase transit fees on Russian gas exports to western Europe, 85 per cent of which cross Ukraine. While Ukraine has quoted a transit fee of $2.2 per 1,000 cu m, Russia says this is far higher than the world average. In an attempt to put western pressure to bear on Ukraine in turn, one Russian official said this week that Russia plans from March 1 to charge western customers for gas as delivered from the Russian-Ukrainian border. This would leave it up to western customers to bully Ukraine into setting an acceptable transit price for their gas supplies.

Interfax news agency said yesterday that Gasprom had received permission to sell 20 per cent of its shares to the public but that foreign investors could account for no more than nine per cent of the company's capital. Its articles of association as a joint-stock company are due to be registered soon by the Justice Ministry.

● Mr Viktor Kress, the governor of Russia's Siberian Tomsk region, has made a plea for foreign investors to help rejuvenate some 800 oil wells which would increase the western Siberian region's oil output by 2m tonnes a year to 14m. But a decision on whether to hold a tender for new oil-fields in the region has yet to be agreed between the region and the authorities in Moscow.

Meanwhile, attempts partly to privatise the region's Tomskneft production company have ground to a halt, the region's privatisation chief, Mr Alexander Petrov, said earlier this week. He said the state-owned enterprise's managers, who want more of the company for themselves and their workers, had gone to Moscow to lobby the federal government for better terms.

Aboriginal claim may threaten mine project

By Kevin Brown in Sydney

MIM HOLDINGS, the Australian resources group, is considering a potential claim by an aboriginal group for ownership of the site of its McArthur River lead/zinc/silver project in the Northern Territory.

MIM has received a letter from the Northern Land Council, an aboriginal advisory group, seeking consultations about the project on behalf of aborigines in the territory and in northern Queensland. This follows suggestions by the council that a legal claim for ownership of the land might be filed unless MIM agreed to provide jobs and compensation to aborigines claiming connection with the area.

MIM and a group of Japanese joint venturers received permission to develop the mine last year after complying with the environmental and planning regulations of the federal and territorial governments.

However, the status of some mining rights has been thrown into doubt by a High Court decision last year that overthrew the legal doctrine that Australia was *terra nullius*, or unoccupied, when European settlement began in 1788. The decision created a form of "native title" applying to government-owned land where aboriginal groups can to prove uninterrupted occupation or continuous close relationship.

A legal claim for ownership of McArthur River could delay development of the mine, which is 70 per cent owned by MIM. Nippon Mining and Metals owns 15 per cent, and Mitsui, Mitsubishi Materials and Marubeni 5 per cent each.

The land council's action angered the territory's government, which claimed that aboriginal and environmental opposition to mining has reduced investment proposals.

Mr Shane Stone, mines and energy minister, said the threat of a land claim against McArthur River was "beyond the pale". He said the project was "too important to become another Coronation Hill" – a gold project in the Northern Territory that was blocked in 1991 after the federal government accepted aboriginal claims that the site was sacred.

The territory government did *not make clear how it planned* to overcome the provisions of federal race discrimination legislation.

The federal Labor government and the conservative opposition have said that land claims should be resolved by negotiation.

EC sets minimum fish import prices

By David Gardner in Brussels

THE EUROPEAN Commission last night set minimum import prices on white fish, but warned that tougher measures would be taken if this did not stem the flood of cheap imports coming into the EC and driving down prices.

The minimum prices will apply to cod, haddock, whiting and monkfish until the end of June, and are based on the reference prices normally used to monitor the EC fish market.

They are unlikely, therefore, to restore fully the 15 to 30 per cent drop in white fish prices caused by this year's import surge, because prices were drifting downwards anyway because of the community's industry's own structural problems and a fall in consumption because of recession.

The move follows a vigorous campaign by Breton fishermen, who on Tuesday partly destroyed the Paris fish market at Rungis. It has as its main target Russian imports, as well as fish from Iceland, Norway and Poland.

"This decision should allow us to correct the disturbances caused by imports from third countries at extraordinarily low prices," said Mr Ioannis Paleokrassas, the EC's environment and fisheries commissioner.

But commission officials warned that if the situation was not stabilised quickly, the community could resort to an embargo on imports.

French fishing interests had also called for action to correct the distortions caused by recent devaluations of sterling and the Spanish peseta. Commission officials pointed out, however, that that form of exchange rate compensation was no longer practicable in the EC's border-free internal market.

"We have a single market but we do not have a single currency," one official said.

The commission's decision followed a vote at the EC management committee for fisheries, made up of senior civil servants from the member states. A slight dissident note was sounded by the UK, which abstained after failing to limit the minimum import regime to three months, instead of the six months called for by Brussels and the four months finally agreed.

● Belgium may challenge the EC banana import regime through an appeal to the European Court of Justice, Prime Minister Jean-Luc Dehaene's office said, Reuter reports from Brussels. In a statement issued after a cabinet meeting, the government said it was considering measures to counter the regime.

Mr Charles Josselin, the French maritime affairs minister, will today hold a meeting with the French fishing association in Rennes to discuss the European Commission's proposals for a minimum fish pricing system, writes Alice Rawsthorn in Paris.

The news of the meeting followed renewed demonstrations from fishermen in the Brittany and Vendée. The fishermen who have, for the past fortnight, been protesting against the recent rise in cheap fish imports into France culminating in the ransacking on Tuesday of the Rungis fish market near Paris.

A group of 400 Breton fishermen yesterday staged a demonstration in Brussels outside the building where European Community fishing officials were discussing the minimum pricing plan. The fishermen sheltered from a light snowfall in nearby cafés during the meeting.

There were rowdy demonstrations throughout the day at Sables d'Olonne, the Vendée port. Local fishermen sealed off the commercial docks with a boat blockade during the morning and protested outside local authority buildings in the afternoon.

Another group of Vendée fishermen sealed off the Loire estuary by Saint-Nazaire bridge and built blockades of burning tyres to block off road access to the bridge. Meanwhile the trawlermen, who had on Wednesday blockaded a military testing area in Les Landes, ended their protest yesterday afternoon.

Russians meeting Espy today to discuss grain debt defaults

By Laurie Morse in Chicago

A HIGH-level delegation of Russian officials will meet US secretary of agriculture Mike Espy today to discuss Russia's mounting grain debt defaults and seek a solution to the credit crisis that has stalled US grain exports to the former Soviet Union since November.

However, US grain trade groups do not expect the visit produce a quick solution to the credit impass.

Mr Aleskey Shokhin, first deputy prime minister of Russia, and a party to Russia's Paris Club debt negotiations, will lead the delegation. Mr Leonid Cheshinsky, president of the Russian domestic grain agency Roskhleboprodukt, and Mr Oleg Klimov, president of the semi-private Exportkhleb grain-buying agency, will accompany Mr Shokhin, as will deputy finance minister Mr Andrei Vavilov.

The delegation will stay in Washington until next Wednesday, visiting congress and members of the Clinton administration. The visit preceeds a *meeting between Mr Warren* Christopher, US secretary of state, and Russian foreign minister Andrei Kozyrev in Geneva on Thursday.

Mr Espy met grain trade representatives on Wednesday to discuss possible financing alternatives in advance of the Russian visit. Mr Nelson Denlinger, executive vice president of US Wheat Associates, said Mr Espy tried to dispel the notion that he had arrived at a solution to the Russian credit problem. "I don't think there are any simple solutions on the table," Mr Denlinger said.

For one thing, Mr Espy has said any plan would have to be co-ordinated through an 11 agency committee that includes the Treasury and the *State Department.*

In the meeting, the North American Export Grain Association proposed that the US form a fund to buy out Russia's bad loans and then place the country on a longer-term loan programme. The plan, while allowing Russia to resume grain purchases, would be expensive. It would also contrast sharply with US Department of Agriculture staff proposals that Russia be given direct food aid while allowing the credit arrears to mount.

"My reading of the [NAEGA] plan is, given current sentiment to cut programmes and reduce the deficit, that it would not fly [in Washington]," Mr Denlinger said.

CIS countries are $367.7m in arrears on US-backed grain loans. Bank claims against the defaults have begun to rise. To date, five banks, all of them foreign, have made claims totalling $6.7m, and the USDA has paid out $5.6m against those claims.

Russia and other former Soviet republics in difficulty with grain payments are seeking to expand the use of barter, according to the International Wheat Council, writes David Blackwell. Sales have already been fixed under the US Export Enhancement Program (EEP) – mostly in exchange for cotton from Uzbekistan.

Australia, Canada, Finland and Turkey are thought to have held talks on barter deals, the IWC says in its latest grain market report. The Australians are believed to have been offered 40,000 tonnes of aluminium in exchange for wheat.

However, with the exception of the US, the parties concerned "are reluctant to reveal details of any possible arrangements" as they involve price exposure on both sides of a transaction. Traders need to cover themselves for commodities which they are unfamiliar with.

The fact that most commodities are in plentiful supply on the international market at relatively low prices further complicates any attempts to expand barter trade, the IWC suggests.

Gatt expects beef export fall to continue

By Frances Williams in Geneva

WORLD BEEF exports fall by 2 to 3 per cent in 1992 and a similar decline is likely in 1993, the General Agreement on Tariffs and Trade says in a report published today.

In its annual review of international meat markets, Gatt highlights a continuing slump in European Community beef exports, which now account for about a quarter of the world total. The EC itself is predicting a drop of 22 per cent in beef exports this year after a 12 per cent fall in 1992. Despite lower production, EC beef stocks ended 1992 at record levels of about 1m tonnes.

Australia has regained the top spot among the world's beef exporters from the EC, which is followed by the US in third place, New Zealand and Brazil. Argentina's shipments plunged nearly 30 per cent last year because of to rising production costs and the strong currency.

"Major changes in world market shares are likely in 1993," the report says, predicting fresh gains by the US and Brazil at the expense of the EC and New Zealand.

World beef and veal production is estimated to have declined by about 1 per cent in 1992, largely because of lower output in the EC, central Europe and the Commonwealth of Independent States. Gatt expects a further 1 to 2 per cent slide in 1993, mostly the result of falling EC production.

The Gatt report says prospects for the international beef market are clouded by the uncertain economic outlook and changing diets. In many countries consumers have switched to cheaper poultry meat, which now represents a quarter of world meat production.

In the US, per capita consumption of poultry meat, at 43 kg the highest in the world, roughly equalled that of beef for the first time last year. In the EC, beef consumption stagnated or fell in all countries except for Spain and Portugal.

Import demand is set to rise substantially in Japan and other East Asian countries, especially South Korea, but elsewhere will remain sluggish, Gatt says.

EC exports in particular are being hit by falling demand from the Commonwealth of Independent States.

Gatt expects beef prices to weaken further in the US but to remain firm in East Asia and to strengthen in Europe as a result of lower EC production and a possible rise in beef demand in central Europe and the CIS.

Gatt's Arrangement on Bovine Meat, designed to expand and liberalise world meat trade, has 27 members (the EC counting as one) which account for about 90 per cent of world beef exports and about 60 per cent of consumption and production.

International Markets for Meat 1992-93, available from Gatt, Centre William-Rappard, rue de Lausanne 154, 1211 Geneva 21. Price SFr25.

Gold jewellery demand riding high

By David Blackwell

WIDESPREAD RECESSION has failed to dent world demand for gold jewellery, according to the World Gold Council, the promotional organisation supported by pro*ducers. The industry soaked up* a record 2,400 tonnes last year, 14 per cent up on 1991.

The council estimates that total identified worldwide demand for gold in jewellery, investments and industrial uses rose by 9 per cent to 3,057 tonnes – "a striking increase in a year where 600 tonnes of official gold was sold by Belgium and Dutch central banks".

The driving forces behind the increase in jewellery demand have been the Middle and Far Eastern markets. *Demand in the Far East rose* by 33 per cent to 654 tonnes. Chinese demand for pure gold jewellery, known as *Chuk Kam*, rose by 47 per cent to 250 tonnes. However, Far Eastern demand for bar and coins was 41 per cent down at 51 tonnes.

In the developed world, trade purchases of jewellery eased by 1 per cent, with Japan showing a fall of 17 per cent to 104.5 tonnes and the US registering a rise of 5 per cent to 230.6 tonnes.

Mr Roger Murphy, of the council's economics service, emphasised that the council's figures were based on identified demand, adding that there was probably substantial unidentified demand. He expects to see "a continued movement of gold from West to East and with it a steady rise in demand through 1993".

Tailings plant to boost Chilean copper output

CHILE COPPER Corporation's (Codelco) Chuquicamata, the world's largest copper mine, has started processing tailings which should boost output by 50,000 tonnes a year, reports Reuter from Santiago. A new tailings plant came on line yesterday and will reach full capacity by the end of March. Processing tailings, which have accumulated for decades, is one of Codelco's most lucrative projects, according chairman Alejandro Noemi.

WORLD COMMODITIES PRICES

MARKET REPORT

NICKEL fell sharply on the London Metal Exchange yesterday as support levels gave way, triggering sell stops and liquidation. Three-month metal fell through the $6,200-a-tonne level - an area where support has held solid in recent days - and slid rapidly down. The decline occurred against a background of steep losses in other metals, notably **COPPER** and **ZINC**. Also, there were no fundamental reasons for nickel to be immune from the general weakness now affecting base metals, dealers said. Three-month copper confirmed the break below the important $2,200 level, with modest Chinese buying around $2,180 brushed aside. New York arabica **COFFEE** prices were down sharply at midsession after the market's technical bounce to Tuesday's tumble ran out of steam. Analysts said futures garnered early firmness from a port strike at Brazil's Santos. But such support proved fleeting because of persistent perceptions of high supply and lessened demand for coffee.

Compiled from Reuters

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)(Apr)		+ or -
Dubai	$16.52-6.60	+0.03
Brent Blend (dated)	$18.87-8.91	-0.02
Brent Blend (Apr)	$18.82-8.86	+0.03
W.T.I (1 pm est)	$20.45-0.50	+0.11
Oil products (NWE prompt delivery per tonne CIF		+ or -
Premium Gasoline	$193-195	
Gas Oil	$176-177	
Heavy Fuel Oil	$72-74	
Naphtha	$175-177	
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$329.65	-0.40
Silver (per troy oz)♣	357.5c	-2.0
Platinum (per troy oz)	$344.40	-2.35
Palladium (per troy oz)	$100.25	-1.00
Copper (US Producer)	103.0c	-0.5
Lead (US Producer)	33.5c	
Tin (Kuala Lumpur market)	14.82r	+0.03
Tin (New York)	257.0c	+1.5
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	129.34p	+2.45*
Sheep (live weight)†♣	118.96p	+9.95*
Pigs (live weight)†	86.99p	+2.46*
London daily sugar (raw)	$243.5	+4.9
London daily sugar (white)	$274.5	+3.5
Tate and Lyle export price	£281.5	+5.5
Barley (English feed)	Unq	
Maize (US No. 3 yellow)	£165.0	
Wheat (US Dark Northern)	Unq	
Rubber (Apr)♥	67.00p	+0.50
Rubber (May)♥	67.50p	+0.50
Rubber (KL RSS No 1 Feb)	228.0m	-1.5
Coconut oil (Philippines)§	$435.0y	-5.0
Palm Oil (Malaysian)§	$430.0z	
Copra (Philippines)§	$275.0	
Soyabeans (US)	£165.0u	+1.0
Cotton "A" index	61.65c	-0.10
Wooltops (64s Super)	397p	+1

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. y-Apr/May u-Feb/Apr. x-Aug. w-Feb/Mar z-Mar. ♥London physical. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♣Sheep prices are now live weight prices * change from a week ago, provisional prices.

SUGAR – London FOX			($ per tonne)	
Raw	Close	Previous	High/Low	
Mar	209.00	198.00	209.00	
May	220.00	220.00	219.00	
Aug	224.00	224.00	223.00	222.40
Oct	[illegible]	203.00	202.00	
White	Close	Previous	High/Low	
May	272.50	272.00	273.50	270.00
Aug	273.00	272.30	273.00	270.50
Oct	256.00	255.00	255.50	253.00

Turnover: Raw 156 (70) lots of 50 tonnes. White 723 (1256) Paris- White (FFr per tonne): May 1526.92 Aug 1548.90

CRUDE OIL – IPE			$/barrel	
	Latest	Previous	High/Low	
Apr	18.85	19.01	19.20	18.79
May	18.90	19.00	19.17	18.83
Jun	18.89	19.05	19.18	18.86
Jul	18.93	19.06	19.14	18.08
Aug	19.06	19.04	19.16	19.06
Sep	18.96	19.09	19.13	18.96
Oct	18.99	19.14	18.99	18.99
IPE Index	18.96	18.96		

Turnover 25943 (32406)

GAS OIL – IPE			$/tonne	
	Close	Previous	High/Low	
Mar	173.25	173.00	174.75	173.00
Apr	173.75	173.25	175.00	173.50
May	173.25	173.00	174.75	173.25
Jun	173.25	173.00	174.75	173.25
Jul	174.75	174.50	175.50	174.75
Aug	176.75	176.25	177.50	176.75
Sep	178.75		178.50	
Oct	181.00	180.00	181.00	180.75
Nov	183.00		182.50	182.00

Turnover 11522 (13684) lots of 100 tonnes

FRUIT & VEGETABLES

Early forced rhubarb at 60-80p a lb (60-80p) is this week's best fruit buy, reports FFVIB. Naval oranges at 10-30p each (10-30p), grapefruit at 12-25p each (12-25p) and kiwifruit at 8-12p each (8-12p) are all reasonbly priced and are excellent sources of vitamin C. Root vegetables such as parsnips and turnips at 25-30p a lb (25-30p) and swede at 15-20p a lb (15-20p) are plentiful this week. Carrots at 18-20p a lb (18-20p) and potatoes at 10-14p a lb (10-14p) are good vegetable buys. New season English watercress is superb at 35-45p a bunch (35-45p). Celery is 45-60p a head (50-60p).

COCOA – London FOX			£/tonne	
	Close	Previous	High/Low	
Mar	745	747	749	739
May	760	760	762	753
Jul	772	770	773	768
Sep	783	782	784	776
Dec	800	802	804	792
Mar	816	822	820	812
Jul	846	850	845	
Sep	862	864	863	857
Dec	886	887	887	880

Turnover: 7924 (8156) lots of 10 tonnes ICCO indicator prices (SDRs per tonne). Daily price for Feb 25 751.02 (755.37) 10 day average for Feb 24 734.35 (730.47)

COFFEE – London FOX			$/tonne	
	Close	Previous	High/Low	
Mar	960	968	969	962
May	953	955	965	944
Jul	918	924	932	910
Sep	930	937	939	927
Nov	937	946	954	948
Jan	952	970	963	

Turnover:2468 (3377) lots of 5 tonnes ICO indicator prices (US cents per pound) for Feb 24: Comp. daily 58.66 (57.61) 15 day average 57.33 (57.30)

POTATOES – London FOX			£/tonne	
	Close	Previous	High/Low	
Apr	45.5	44.5	45.5	44.5
May	48.5	46.5	47.5	47.0
Apr	95.5	95.0	95.5	95.0

Turnover 130 (61) lots of 20 tonnes.

SOYAMEAL – London FOX			£/tonne
	Close	Previous	High/Low
Jun	143.00	-	143.00

Turnover 25 (0) lots of 20 tonnes.

FREIGHT – London FOX			$10/index point	
	Close	Previous	High/Low	
Mar	1370	1382	1385	1370
Apr	1370	1383	1385	1365
Jul	1180	1181	1190	1180
BFI	1375	1374		

Turnover 119 (291)

GRAINS – London FOX			£/tonne	
Wheat	Close	Previous	High/Low	
Mar	145.80	144.75	145.90	145.80
May	147.40	146.40	147.40	146.90
Jun	148.20	147.20	148.20	147.70
Sep	110.10	110.00	110.10	
Nov	112.00	112.00	112.00	
Mar	118.00	117.75	118.00	117.90
Barley	Close	Previous	High/Low	
Mar	142.70	142.50	143.50	142.65
May	144.00	143.50	144.00	144.00
Sep	107.85	107.75	107.85	
Nov	110.85	110.75	110.85	
Mar	115.85		115.85	

Turnover: Wheat 322 (325), Barley 54 (107). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg			
	Close	Previous	High/Low
Apr	107.5		107.5
Sep	105.0		104.0
Oct	105.0		104.0

Turnover:5 (4) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 17,002 lots
Cash	1192.5-3.5	1195.5-6.5		1193.5-4.5		
3 months	1214-5	1217.5-8	1219/1212.5	1215.5-6	1213.5-4	182,667 lots
Copper, Grade A (£ per tonne)						Total daily turnover 28,093 lots
Cash	1497.5-8.5	1519.5-20.5	1510.5	1510-0.5		
3 months	1521-2	1544-4.5	1536/1516	1534.5-5	1522-3	151,375 lots
Lead (£ per tonne)						Total daily turnover 1,264 lots
Cash	283.5-4.5	286-7	282/281.5	281.5-1.75		
3 months	285.5-6	295.5-6	294.5/291.5	291.5-1.75	295-6	18,150 lots
Nickel ($ per tonne)						Total daily turnover 2,792 lots
Cash	6190-40	6185-95	6170	6169-70		
3 months	6190-200	6250-60	6265/6120	6230-1	6120-30	42,076 lots
Tin ($ per tonne)						Total daily turnover 1,402 lots
Cash	5780-90	5750-60	5780	5775-80		
3 months	5840-50	5810-5	5850/5830	5835-40	5835-45	5,136 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 13,073 lots
Cash	1020.5-1.5	1022-3	1015.5	1015-5.5		
3 months	1038-9	1050-1	1043/1030	1032.5-3	1038-9	61,411 lots

LME Closing £/$ rate: SPOT: 1.4300 3 months: 1.4201 6 months: 1.4126 9 months: 1.4056

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	329.50-329.80	
Opening	329.70-330.10	
Morning fix	329.75	230.885
Afternoon fix	329.60	230.135
Day's high	329.30-329.60	
Day's low	330.10-330.40	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	2.58	6 months	2.40
2 months	2.53	12 months	2.43
3 months	2.51		

Silver fix	p/troy oz	US cts equiv
Spot	250.75	358.95
3 months	254.85	361.80
6 months	258.10	364.80
12 months	264.60	370.95

GOLD COINS	$ price	£ equivalent
Krugerrand	329.50-332.50	230.00-232.00
Maple leaf	339.25-341.45	-
New Sovereign	78.50-81.50	55.00-57.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Apr	Jul	Apr	Jul
1175	36	68	5	14
1225	9	38	28	32
1275	3	18	70	62
Copper (Grade A)	Calls		Puts	
2100	94	94	10	24
2200	40	40	56	69
2300	13	13	143	101
Coffee	May	Jul	May	Jul
900	76	86	24	48
950	47	45	45	77
1000	28	31	76	113
Cocoa	May	Jul	May	Jul
725	52	71	17	25
750	37	55	27	34
775	26	42	41	46
Brent Crude	Apr	May	Apr	May
1850	67	-	20	35
1900	27	50	42	-
1950	11	34	59	-

New York

GOLD 100 troy oz.; $/troy oz.				
	Close	Previous	High/Low	
Mar	329.9	329.7	0	0
Apr	330.6	330.4	331.4	330.3
Jun	331.4	331.7	332.5	331.7
Aug	333.1	332.9	333.0	333.0
Oct	334.5	334.3	0	0
Dec	335.9	335.7	336.4	335.7
Feb	337.3	337.1	0	0
Apr	338.8	338.6	339.0	339.0

PLATINUM 50 troy oz; $/troy oz.				
	Close	Previous	High/Low	
Apr	345.0	343.2	345.8	343.6
Jul	343.9	341.2	344.0	341.5
Oct	342.7	339.7	341.8	339.5
Jan	340.2	337.5	0	0

SILVER 5,000 troy oz; cents/troy oz.				
	Close	Previous	High/Low	
Mar	363.9	[illegible]	358.0	353.0
Apr	365.5	357.2	0	0
May	365.5	358.4	360.5	356.0
Jul	358.9	360.6	363.0	359.0
Sep	361.4	363.3	365.5	362.5
Dec	364.9	366.8	368.0	365.0
Jan	365.3	367.2	0	0
Mar	368.5	370.4	369.5	369.0
May	371.1	373.0	0	0
Jul	373.7	375.6	375.0	372.5

HIGH GRADE COPPER 25,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	94.70	95.65	95.05	94.20
Apr	95.35	96.30	95.60	95.00
May	95.75	96.70	95.90	94.90
Jun	96.15	97.10	96.05	96.05
Jul	96.60	97.45	96.75	96.05
Aug	97.00	97.85	97.60	96.85
Sep	97.40	98.20	[illegible]	97.00

CRUDE OIL (Light) 42,000 US galls $/barrel				
	Latest	Previous	High/Low	
Apr	20.47	20.53	20.70	20.39
May	20.50	20.56	20.70	20.44
Jun	20.54	20.58	20.70	20.47
Jul	20.54	20.60	20.69	20.51
Aug	20.52	20.61	20.68	20.52
Sep	20.56	20.62	20.59	20.63
Oct	20.59	20.63	20.68	20.57
Nov	20.63	20.62	20.68	[illegible]
Dec	20.61	20.60	20.65	20.58
Jan	20.61	20.59	20.64	20.64

HEATING OIL 42,000 US galls, cents/US galls				
	Latest	Previous	High/Low	
Mar	58.20	57.38	58.40	57.85
Apr	58.20	57.64	58.56	57.75
May	57.10	56.80	57.50	56.90
Jun	56.35	56.38	56.75	56.25
Jul	56.45	56.40	56.75	56.35
Aug	57.05	56.95	57.20	57.15
Sep	57.95	58.09	58.00	57.95
Oct	59.03	59.03	0	0
Nov	59.68	59.68	0	0
Dec	60.73	60.73	61.00	60.75

COCOA 10 tonnes;$/tonnes				
	Close	Previous	High/Low	
Mar	921	932	925	920
May	957	969	964	953
Jul	979	993	988	977
Sep	1002	1015	1009	1001
Dec	1032	1044	1036	1030
Mar	1062	1070	0	0
May	1082	1090	0	0
Jul	[illegible]	1113	0	0
Sep	1133	1141	1130	1129
Dec	1158	1166	1160	1157

COFFEE "C" 37,500lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	63.95	65.15	66.40	63.60
May	66.45	68.00	68.50	65.45
Jul	68.00	69.70	69.90	67.30
Sep	69.80	71.40	71.40	69.45
Dec	72.05	73.75	73.80	71.80
Mar	74.45	76.25	0	0
May	76.25	78.50	78.50	78.50

SUGAR WORLD "11" 112,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	9.56	9.54	9.58	9.32
May	9.89	9.87	9.99	9.71
Jul	9.99	10.07	10.09	9.87
Oct	9.28	9.29	9.30	[illegible]
Mar	8.91	8.95	8.98	8.90
May	8.88	8.94	0	0
Jul	8.90	8.95	0	0

COTTON 50,000; cents/lbs				
	Close	Previous	High/Low	
Mar	63.20	63.50	63.78	63.10
May	63.02	63.24	63.55	62.76
Jul	63.81	64.10	64.40	63.65
Oct	63.23	63.82	63.80	63.20
Dec	62.20	62.75	62.80	62.20
Mar	62.95	63.50	63.60	63.60
May	63.55	64.07	0	0

ORANGE JUICE 15,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	70.25	70.45	72.00	70.20
May	74.20	74.00	75.00	74.05
Jul	77.50	77.00	78.45	77.50
Sep	80.05	79.00	80.50	80.00
Nov	82.50	81.80	83.00	82.50
Jan	84.60	83.65	85.65	84.60
Mar	86.55	85.55	86.00	86.00
May	86.55	85.55	0	0
Jul	90.30	90.45	0	0

INDICES

REUTERS (Base:September 18 1931 = 100)			
Feb 25	Feb 24	mnth ago	yr ago
1779.8	1769.9	1691.3	1607.5

DOW JONES (Base: Dec. 31 1974 = 100)				
	Feb 24	Feb 23	mnth ago	yr ago
Spot	125.87	125.49	121.17	118.97
Futures	126.14	126.05	121.06	121.69

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel				
	Close	Previous	High/Low	
Mar	574/4	575/2	575/0	571/0
May	574/2	574/2	574/6	571/0
Jul	578/4	578/2	579/0	575/4
Aug	580/6	580/4	581/0	578/0
Sep	581/0	581/6	581/0	579/4
Nov	587/2	587/2	587/2	584/4
Jan	594/6	596/0	594/6	592/4
Mar	601/0	601/6	601/0	600/4

SOYABEAN OIL 60,000 lbs; cents/lb				
	Close	Previous	High/Low	
Mar	20.49	20.61	[illegible]	20.34
May	20.76	20.87	20.80	20.57
Jul	20.96	21.06	20.99	20.80
Aug	21.04	21.09	21.04	20.86
Sep	21.03	21.12	21.07	20.92
Oct	[illegible]	[illegible]	[illegible]	20.93
Dec	21.13	21.23	[illegible]	21.00
Jan	[illegible]	21.25	21.15	21.10

SOYABEAN MEAL 100 tons; $/ton				
	Close	Previous	High/Low	
Mar	176.9	177.4	177.3	176.4
May	178.9	178.8	179.0	178.0
Jul	180.9	180.8	181.0	179.9
Aug	[illegible]	181.6	182.1	181.0
Sep	182.8	182.6	183.0	[illegible]
Oct	184.1	183.8	[illegible]	[illegible]
Dec	186.6	186.1	186.8	185.5
Jan	186.3	188.3	0	0

MAIZE 5,000 bu min; cents/56lb bushel				
	Close	Previous	High/Low	
Mar	210/2	211/6	211/6	210/0
May	218/4	219/6	220/0	218/2
Jul	225/2	226/6	226/6	225/0
Sep	231/2	232/6	232/6	231/0
Dec	237/6	238/6	239/0	237/4

WHEAT 5,000 bu min; cents/60lb-bushel				
	Close	Previous	High/Low	
Mar	370/2	374/4	374/6	367/4
May	332/4	336/0	337/0	330/0
Jul	315/0	318/2	318/4	312/4
Sep	319/4	322/6	322/2	317/0
Dec	327/2	330/6	330/2	325/0

LIVE CATTLE 40,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Apr	79.675	80.125	80.100	79.550
Jun	73.700	73.925	74.100	73.650
Aug	70.850	70.800	70.925	70.625
Oct	72.100	72.100	72.225	71.950
Dec	72.775	72.800	72.950	72.600
Feb	71.875	72.025	72.175	71.950

LIVE HOGS 40,000 lb; cents/lbs				
	Close	Previous	High/Low	
Apr	45.625	45.100	45.750	45.000
Jun	50.700	50.725	50.800	50.350
Jul	49.225	49.150	49.225	48.900
Aug	46.750	46.675	46.800	46.325
Oct	42.000	41.900	42.000	41.700
Dec	43.200	43.000	43.200	42.925
Feb	43.250	43.200	43.250	0

PORK BELLIES 40,000 lbs; cents/lb				
	Close	Previous	High/Low	
Mar	38.975	39.200	39.460	38.750
May	40.400	40.600	40.900	40.150
Jul	40.750	40.900	41.050	40.350
Aug	39.050	39.400	39.600	38.850

More confident mood helps shares

By Terry Byland,
UK Stock Market Editor

THE LONDON stock market was broadly satisfied with the ICI statement confirming plans for its demerger, and relieved to hear that the planned £1.3bn rights issue call from Zeneca, the proposed new corporate holder of the pharmaceutical and bio-technology interests, will not arrive until June. Encouraged by a recovery of around 6.6 per cent in ICI shares, the equity market turned firmer, although investors were still restrained by the prospect of further rights issues and profits statements from leading companies.

Outside ICI, which made up almost 2 per cent of market activity yesterday, there were few salient features. Trading results from Shell and from British Gas contained no surprises for the stock market and neither share moved far from overnight levels. The heavy job losses foreshadowed by both ICI and British Gas did nothing to lift the shadow cast by the recession in the UK economy, but merely tended to confirm the view that economic recovery is still some way ahead.

Equity trading was influenced from the market opening by the looming statement from the ICI boardroom. Shares in the blue chip chemical group had been bought heavily by US investors after London closed on the previous evening, and this development had left UK marketmakers dangerously short of stock; ICI, and the market, rose sharply in the first half hour of official trading, help along by activity in ICI traded options.

The early gain of 12 points on the Footsie scale was soon reversed to a fall of 7.6, however, as traders grappled with the heavy flow of corporate statements. The market then recovered steadily, encouraged as the time for Wall Street's opening drew near, by traders' awareness that renewed US demand for ICI shares was in the offing.

At the close, the FT-SE Index was just below the day's best at 2,828.7, a net gain of 11.7 points, with ICI effectively responsible for about 3.19 of them. Traders expressed some disappointment with the Footsie's apparent reluctance to move away from the lower end of a trading range which seems to have narrowed to 2,810 – 2,850 this week.

Second line stocks drifted off as market attention focused on the day's list of announcements from the blue chip list. At 3,029.5, the FT-SE Mid 250 Index shed 0.4. In terms of market volume, non-Footsie stocks made up about 61 per cent of the day's total of 620.5m shares traded through the Seaq system. On Wednesday, a Seaq total of 592.7m shares returned retail worth of £1.18bn, maintaining the satisfactory levels of retail business which have now prevailed for the past five months.

There were signs that investors were willing to turn away from the defensive sectors which have returned to fashion as rights issue fears have unsettled confidence for the near-term outlook for equities. Utility stocks gave back some of their recent gains.

However, financial stocks looked steadier as the market absorbed this week's disclosure of higher debt provisions at National Westminster. Store issues, weakened recently by realisation that further interest rate cuts may have to await the Budget speech from the UK chancellor of the exchequer, moved higher. Selected buying of store shares from the US, a somewhat rare occurrence, was reported.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ASDA Group	14,000	62	−½
Abbey National	5,300	358	+3
Albert Fisher	505	66	+1
Allied-Lyons	1,400	585	−6
Amstrad	1,600	38	−1½
Anglian Water	338	513	−6½
Argos	1,000	271	+2
Argyll Group	3,800	358	−5
Arjo Wiggins	190	198	
Ass. Brit. Foods	258	487	+5
Ass. Brit. Ports	329	377	
BAA	1,600	787	−8
BAT Inds.	3,100	942	+14
BET	2,800	91	+1½
BICC	2,500	387	−1
BOC	1,100	758	−7
BP	8,600	275½	
BPB Inds.	2,200	218	
BT	2,900	411	+5
BTR	5,400	584	+5
Bank of Scotland	491	136	+3
Barclays	7,000	420	−4
Bass	2,800	574	−3
Berisford Int.	351	125	−1
Blue Circle	2,800	225	
Booker	58	483	+2
Boots	1,100	463	+5
Bowater	409	465	+2
Brit. Aerospace	4,400	267	+2
British Airways	2,100	285	
British Gas	9,300	289	
British Land	1,300	232	+6
British Steel	2,500	77	+½
Bunzl	2,700	134	−1
Burmah Castrol	541	708	−7
Burton	2,800	78	+1
Cable & Wire.	1,200	730	+5
Cadbury Schweppes	2,000	458	−2
Calor Group	110	290	−4
Carlton Comms.	749	794	−1
Coats Viyella	1,200	235	+2
Comm. Union	1,800	580	+11
Cookson	471	207	
Courtaulds	595	558	−4
Dalgety	144	460	−2
De La Rue	60	852	−1
Dixons	1,600	220	+2
Eastern Elect.	1,000	451	−8½
East Midland Elect.	728	452	−2
Eng China Clays	750	436	−3
Enterprise Oil	762	468	+7
Eurotunnel Units	138	500	+1
FKI	278	134	−1
Fisons	1,100	224	−1
Foreign & Col. I.T.	970	218½	+½
Forte	2,600	192	+1
Gen. Accident	1,500	559	−8
General Elect.	7,300	292½	−½
Glaxo	5,800	645	−7
Glynwed Int.	34	295	
Granada	1,900	389	−3
Grand Met.	3,800	446	+5
GUS A	436	1630	+22
GRE	6,500	180	
GKN	739	482	−4
Guinness	2,600	449	−1
HSBC (75p shs)	3,400	594	+7
Hammerson 'A'	306	322	
Hanson	2,800	246½	
Hanson Warrants	705	27	+½
Harrisons Crosfield	703	187	
Hillsdown	2,100	155	+2
IMI	35	284	+1
ICI	13,000	1152½	+70½
Inchcape	705	598	+4
Johnson Matthey	127	470	
Kingfisher	1,400	558	+6
Kwik Save	289	640	−2
Ladbroke	3,100	180½	−1½
Land Securities	421	490	−3
Laporte	448	677	−3
Legal & General	1,000	465	+4
Lloyds Abbey	3,000	429	−7
Lloyds Bank	528	518	+4
LASMO	3,400	174	+1
London Elect.	194	449	−2
Lonrho	1,000	98½	+1½
Lucas	2,800	140	−2
MB Caradon	3,500	311	−3
MEPC	958	370	
Manweb	603	507	−4
Marks & Spencer	3,700	329	−2
Midlands Elect.	434	480	−3
Morrison (Wm.)	2,100	159	−3
NFC	2,000	205	+1
NatWest Bank	3,100	435	+1
National Power	3,200	315	+3
Next	1,300	144	−1
North West Water	473	481	−4½
Northern Elect.	85	458	−3
Northern Foods	1,800	282	+1
Norweb	91	485	−1
Pearson	3,900	391	−3
P & O	780	545	−1
Pilkington	3,200	109	−2
PowerGen	2,600	318	+3
Prudential	6,200	317	+8
RMC	88	884	−1
RTZ	1,100	650	+10
Racal	324	182	+1
Rank Org.	1,800	684	−6
Reckitt & Colman	448	617	+3
Redland	2,500	482	+2
Reed Intl.	678	550	+5
Rentokil	633	222	+3
Reuters	442	1347	+22
Rolls Royce	5,800	132	+4
Rothmans	1,500	605	+1
Ryl Bk Scotland	2,600	237½	+2½
Royal Insurance	4,000	285	
Saatchi	640	180	−1
Sainsbury	2,300	513	+6
Scottish & New.	410	437	+5
Scot. Hydro-Elect.	1,200	345	−6
Scottish Power	3,500	289	−6
Sears	5,000	88	+3
Sedgwick	845	180	−1
Seeboard	84	463	−3
Severn Trent Water	688	489	−3
Shell Transport	7,100	583	+1
Siebe	974	470	−5
Slough Ests	185	186	−1
Smith (W.H.) A	508	421	+8
Smith & Nephew	2,700	150½	−1
SmKl Beecham	2,200	441	+1
SmKl Beecham Uts.	2,700	388	+2
Smiths Inds.	985	349	+5
Southern Elect.	258	467	−1
South Wales Elect.	623	591	−2
South West Water	204	532	+1
South West. Elect.	185	480	−3
Southern Water	417	485	−6
Standard Chartd.	737	653	+8
Storehouse	2,100	178	−3
Sun Alliance	5,100	316	−3
T&N	657	169	
TI Group	378	283	
TSB	1,700	171½	+½
Tarmac	2,700	108	
Tate & Lyle	1,100	429½	+5½
Taylor Woodrow	3,200	88½	+3½
Tesco	11,000	229	−4
Thames Water	921	516	−6
Thorn EMI	1,000	882	
Tomkins	7,100	261	−5
Trafalgar House	5,800	76½	
Unigate	503	343	−11
Unilever	3,200	1208	+10
United Biscuits	3,800	387	+8
Utd. Newspapers	450	823	+6
Vodafone	3,700	379	−4
Warburg (SG)	217	628	+8
Wellcome	1,300	871	−8
Welsh Water	387	580	−2
Wessex Water	120	587	−6
Whitbread 'A'	1,000	447	+3
Williams Hldgs.	1,500	328	+½
Willis Corroon	260	178	+1
Wimpey	216	138	
Wolseley	688	587	+7
Yorkshire Elect.	688	508	+2
Yorkshire Water	182	546	−3

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

Account Dealing Dates

*First Dealings:		
Feb 15	Mar 1	Mar 15
Option Declarations:		
Feb 25	Mar 11	Mar 25
Last Dealings:		
Feb 26	Mar 12	Mar 26
Account Day:		
Mar 8	Mar 22	Apr 5

*New time dealings may take place from 8.30am two business days earlier.

ICI wins brokers' approval

THE ANNOUNCEMENT by ICI of a £1.3bn rights issue to fund the demerger of its pharmaceuticals and chemicals divisions was followed, perhaps surprisingly, by a 6.5 per cent jump in the share price. This represented the sharpest rise in the FT-SE 100 index list and one of the biggest in the London market. The last time the shares saw a similar price hike and trading volume was in July 1992, when ICI first announced its intention to create Zeneca as a separate pharmaceuticals arm.

The initial announcement of a pre-tax loss of £384m and the need to cut 9,000 jobs was not encouraging and the shares moved up by less than 10p, in spite of short covering by London brokers. However, at a packed meeting with analysts the company announced that barring unforeseen circumstances it would hold its traditional 55p dividend after the split.

Analysts returned to examine the yield on the stock and decided that a fair share price was about 1,200p. Mr Jeremy Chantry of Kleinwort Benson is looking for a combined share price "north of 1200" and Mr Charles Lambert of Smith New Court, who has taken a bearish view of the group's prospects, also took a less gloomy attitude. Some analysts felt that, with the dividend guaranteed, the shares are now virtually as secure as gilts and at a better return.

The shares raced ahead to close 70½ up at 1152½ – but still lower than they were immediately after the original Zeneca announcement – on turnover of 13m. By the time the UK market had closed a further 2m shares had been traded on Wall Street and the share price there had reached the equivalent of 1,162p. A further 3m shares changed hands in the form of traded options.

Hartstone tumbles

Leather and hosiery group Hartstone fell by 27 to 223p, leaving the stock one of the biggest casualties in the London market, as rumours that the company broker had cut forecasts were confirmed.

Ms Julia Blake, textile analyst with BZW, reduced her 1993 estimate by £4.5m to £32.5m on the basis of a severe downturn in the European hosiery market. "There is serious overcapacity in the area and, although the company is still generating profits there, margins have been squeezed," she said.

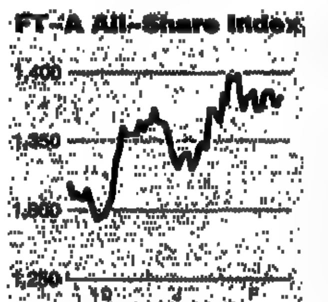
The stock has been very volatile recently with the downgrade message competing with bid talk. Mr David Gratton, the company finance director said yesterday: "Unfortunately this is not the first time we have suffered from rumours – I am not aware that we are about to be taken over."

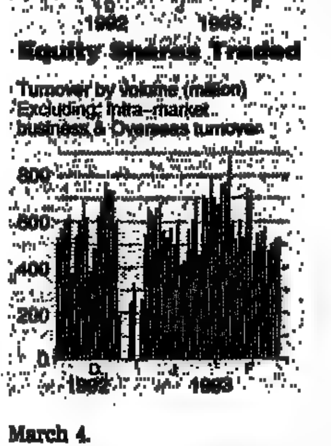
Property hopes

There were further positive comments on the commercial property market, with Smith New Court detecting a slow revival in its latest report. Like NatWest Securities, which came to similar conclusions earlier this week, Smith suggests that net asset values are at present taking second place to cash flow in analysts' judgment of property stocks.

The broker recommends Slough Estates, off a penny at 186p, MEPC, steady at 370p, and along with NatWest, British Land, 6 forward at 232p. In second liners, both brokers prefer Allied London Properties, steady at 55p, and Frogmore Estates, also unchanged at 345p.

Barclays Bank shares were given a mid-morning mauling, sliding to 414p at one point after a flurry of selling triggered by rumours that the bank had been summoned to the Bank of England because of concerns over its loan book. A denial of the story brought a swift rally in the shares which ended the session only 4 easier at 420p. Turnover was an unremarkable 7m. Along with the rest if the sector, Barclays shares have come under pressure since NatWest published disappointing bad debt figures on Tuesday. Barclays' preliminary numbers are expected on March 4.


FT-A All-Share Index


Equity Shares Traded

Credit Lyonnais (CLL) added to the pressure on Barclays reaffirming its belief that the bank should retain core capital and therefore cut the dividend. CLL told its clients to either sell or switch from NatWest and Barclays and to buy Lloyds, Abbey National, Royal Bank of Scotland and TSB. Abbey, due to report preliminary figures on March 2, added 3 at 388p, helped by aggressive buying of the stock options.

SG Warburg jumped 8 to 628p, after 635p, reflecting the fees accruing from its role in the ICI/Zeneca rights issue.

British Gas shares made early progress, touching 292p, but later eased to close unchanged at 289p as the market assessed the sharp decline in the group's preliminary results. Analysts said the profit shortfall reflected the unexpectedly large restructuring charge and there was general satisfaction with the dividend increase.

But specialists were alarmed at the chairman's statement on dividend policy. One said: "A company that is haemorrhaging cash, with profits below expectations and a dividend under threat from the Monopolies Commission mean that investment in it is a real act of faith."

Royal Insurance closed unchanged at 285p after the preliminary figures which were accompanied by a £100m bond issue. This was seen as lifting the threat of a rights issue in the short term. Analysts pointed to the underlying improvement in the insurance business, with current year estimates being lifted to around the £100-£110m mark.

General Accident suffered again from worries that a big rights issue, in the region of £400m to £500m could appear with the preliminary results expected on March 2. Prudential jumped 8 to 317p after good figures from its US subsidiary Jackson National.

Shell's preliminary numbers were given a relatively good reception by the market and the shares edged up to close at 583p. Turnover, still boosted by talk of switching out of Royal Dutch, reached 7.1m shares. One analyst said the dividend was at the top end of expectations but cautioned about the continuing losses in the chemicals business. BP held at 275½p despite broker recommendations to switch out of the shares and into Shell.

Bargain hunters helped cause a rally in several of the photo copier related stocks which fell heavily on Wednesday on fears that the OFT may launch an investigation into their activities. Gestetner put on 5 to 136p, while Southern Business Group also gained 5 to 84p.

The market continued to appreciate the restructuring plans at British Aerospace. The shares closed 2 up at 267p, following the payment of a 3p interim dividend. The final dividend payment of 4p which was announced on Wednesday is due on Monday. The company is holding another session on its trading outlook for analysts today.

Rolls-Royce was also busy with UBS Phillips & Drew said to be positive on the stock. The shares added 4 to 132p in trade of 5.1m. Talk that Abu Dhabi was about to place an order for 8 Super Lynx helicopters with Westland Group, boosted the shares. They gained 4 to 150p, with turnover reaching 4.4m.

Volume in conglomerate Tomkins rose to 7.1m as the shares eased 5 to 261p, with most of the day's selling having been conducted through a leading US house.

Worries about the poor state of the German automotive industry left GKN shares 4 lighter at 482p.

Inchcape added 4 to 598p after announcing that its Inchcape rBerhad subsidiary was to sell its timber business to local Singapore investors for around £24m.

There was more tired talk of rights issues around Allied Lyons, although dealers said more hurtful was a rumour of a downgrade by agency broker James Capel. The shares dropped 5 to 585p. A line of over 1m shares hung over Bass for most of the session and weakened the shares, off 3 at 574p.

MARKET REPORTERS:
Christopher Price,
Peter John, Joel Kibazo,
Steve Thompson.

■ Other market statistics, Page 23.

NEW HIGHS AND LOWS FOR 1992/93

EW HIGHS (141).
MERICANS (12) American T & T, Ameritech, tl Atlantic, BellSouth, FPL, Gillette, Morgan JP), Pennzoil, Quaker Oats, Southwestern ell, Tenneco, US West, CANADIANS (2) udson's Bay, Trans. Can. Pipe. BANKS 4) ABN, Bk. Scotland 9⅛pc Pf., Deutsche, at. Australia, BREWERS (1) Wetherspoon JD), BUSINESS SERVS (3) Hutchison Whmp., nchcape, Salvesen (C), CHEMS (3) BTP, TR Nylex, Evode 7p Pf., CONGLOMERATES 1) CSR, ELECTRICALS (1) Motorola, LECTRICITY (2) China Light, Manweb, LECTRONICS (4) Hewlett-Packard, Macro , Pook, Tunstall, ENG AERO (1) Westland, NG GEN (4) Adwest, Clyde Blowers, Dickie), VSEL, FOOD MANUF (4) Acatos & utcheson, Banks (SC), Unilever, Do N/V, HEALTH & HSEHOLD (2) [illegible], Paterson ochonis, HOTELS & LEIS (2) Owners broad, Stanley, INSCE BROKERS (1) Lloyd hompson, INSCE LIFE (1) Utd. Friendly. NV TRUSTS (36) Abtrust New European, rayton Far East, Dunedin Worldwide, EFM apan Wts., English Natl Defd., Equity onsort, Do Defd, European Assets, First hilippine, Do Wts., Flmg. Continental, Flmg. ar Eastern, Flmg. Fledgeling, For & olonial Eurotrust, For & Colonial Pac., o Wts., Gartmore Emrg. Pac., Gartmore uropean, Do Wts., Henderson Eurotrust nits, Jos Income, Martin Currie Pac., Do ts., Mid Wynd, Murray Intl., Do B, Murray mllr Mkts., Do B, Rights & Issues Inc., iver & Merc. Grd. Inc., SPRAIT 6.3-13.3pc g., Scottish Asian, Do Wts., Second Mkt., emple Bar, Thornton Asian Emrg. Mkts., SDC, MEDIA (7) Adscene, Avesco, emrose, Harrington Kilbride, Metal Bulletin, orling Publs., Watmoughs, MERCHANT ANKS (7) Barings 8pc Pf., Close Bros., ambros, Kleinwort Benson, Schroders, o N/V, Warburg (SG), MISC (2) Lambert owarth, Ricardo, MOTORS (2) Bletchley, avenport Vernon, OIL & GAS (6) Bow alley, Exxon, Occidental, Ramco, Santos, THER FINCL (9) Cattle's, INVESCO MIM, o 9pc '95-00, King & Shaxson, London oll, Prov Financial, St. James Pl., Tyndall ustralia, Do Options, OTHER INDLS (3) l Prop., Pacific Dunlop, Williams 8p Pf., ACKG, PAPER & PRINTG (1) Low & Bonar, ROP (3) Bilton, Shaftesbury, Town Centre, TORES (3) Clinton Cards, Tie Rack, TELE ETWORKS (1) Nthn. Telecom, TEXTS (6) exandra Workwear, Allied Text., French ., Honeysuckle, Toray, Usher(F), RANSPORT (1) GATX, WATER (3) East urrey, Mid Kent, Welsh, MINES (5) Delta old, Mount Burgess, Pancont'l, Sons [illegible].
EW LOWS (14).
RITISH FUNDS (1) Cv. 9pc '11 C, BREWERS 1) Guinness, BLDG MATLS (1) Ramus, HEMS (1) Anglo Utd, ELECTRONICS (1) al Tmo, INV TRUSTS (3) Contra-Cyclical ., Derby, River Plate Wts., MEDIA (2) state, York. Tyne-Tees, MISC (1) Hornby, THER FINCL (1) Cambridge, PROP (1) h-Point, STORES (1) Reject.

FINANCIAL TIMES EQUITY INDICES

	Feb 25	Feb 24	Feb 23	Feb 22	Feb 19	Year ago	High	Low
Ordinary share	2176.5	2172.9	2180.7	2198.0	2200.7	1983.0	2226.1	1670.0
Ord. div. yield	4.47	4.46	4.45	4.42	4.40	4.50	5.34	4.23
Earning yld % full	6.26	5.99	5.99	5.94	[illegible]	6.53	-	-
P/E ratio net	20.00	21.27	21.30	21.46	[illegible]	19.26	22.01	15.79
P/E ratio nil	18.94	18.54	19.57	19.71	19.79	18.31	-	-
Gold Mines	94.9	[illegible]	93.5	93.3	93.5	130.2	160.6	60.0

*for 1992/93. Ordinary share index since compilation: high 2226.1 8/2/93 - low 49.4 26/6/40
Gold Mines index since compilation high: 734.7 15/2/83- low 43.5 26/10/71
Basis Ordinary share 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2183.1	2175.0	2173.3	2165.4	2165.8	2168.1	2169.8	2171.4	2175.2	2183.1	2163.9

Volume	Feb 25	Feb 24	Feb 23	Feb 22	Feb 19	Year ago
SEAQ Bargains	28,276	27,383	29,945	27,865	26,899	32,419
Equity Turnover(£m)†	-	1170.1	1232.7	1181.6	948.9	962.8
Equity Bargains†	-	[illegible]	34,344	32,045	30,750	36,338
Shares traded (ml)†	-	[illegible]	521.5	505.1	[illegible]	432.3

† Excluding intra-market business and overseas turnover.

London report and latest Share Index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p at all other times.

EQUITY FUTURES AND OPTIONS TRADING

e ICI statement confirming rights issue and a demerger so dominated trading in the rivatives sector, writes Joel bazo.

In stock index futures, the arch contract continued ading in a tight range of out 20 points for most of the ssion. It started the day at 328 and moved lower, as the rket reflected on the chemical giant's rights issue and restructuring plans. It fell to the day's low of 2,809 at around 11.15am.

Thereafter, sporadic buying helped March recover some of the earlier falls, before a squeeze in the late afternoon caused a jump in the contract, with demand boosted by renewed firmness of sterling. It touched the day's high of 2,837 at 3.30pm but came off the top to close at 2,831, up 13 on its previous close. Turnover at 7,537 lots was poor.

In traded options, total volume was also poor reaching a meagre 24,838 lots. Turnover in the FT-SE 100 option was a dull 3,668 lots and that in the Euro FT-SE 1,452.

BTR was the most actively dealt stock option with 3,741 lots traded. It was followed by ICI at 2,915, and then by Abbey National at 1,564. British Aerospace and Sainsbury were also busy.

Liffe announced yesterday that Smith New Court had received approval to become a market maker, thereby increasing the number on the exchange from 7 to 8. It starts trading next month.

FT-SE Actuaries Share Indices — THE UK SERIES

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
2828.7 +11.7	3029.5 −0.4	1381.52 +4.12

	Feb 25	Day's change %	Feb 24	Feb 23	Feb 22	Year ago	Earnings yield %	Dividend yield %	P/E Ratio	Xd adj ytd
FT-SE 100	2828.7	+0.4	2817.0	2818.0	2838.3	2562.0	6.57	4.27	19.39	5.84
FT-SE Mid 250	3029.5	—	3029.9	3037.1	3049.0	2520.7	6.83	4.22	18.52	7.28
FT-SE-A 350	1398.3	+0.3	1393.8	1395.0	1404.0	1244.2	6.62	4.26	19.19	2.99
FT-SE SmallCap	1525.29	—	1525.04	1528.25	1527.29	–	5.39	4.20	25.68	4.16
FT-SE SmallCap ex Inv Trusts	1527.53	—	1528.12	1532.23	1531.25	–	6.01	4.47	23.81	3.89
FT-A ALL-SHARE	1381.52	+0.3	1377.40	1378.84	1386.90	1229.38	6.55	4.26	19.49	3.00
1 CAPITAL GOODS(211)	924.02	+0.1	923.03	926.58	931.97	795.86	6.11	4.56	21.44	1.64
2 Building Materials(27)	960.49	−0.2	962.10	970.87	982.10	978.15	5.31	5.49	26.81	0.77
3 Contracting, Construction([illegible])	826.55	+0.1	826.00	827.62	825.34	896.53	3.03	5.84	80.00†	1.23
4 Electricals(14)	2574.54	−0.1	2577.51	2592.32	2619.68	2441.27	6.22	5.64	21.10	3.25
5 Electronics(35)	2496.81	−0.2	2502.82	2526.06	2530.18	1857.95	6.35	3.42	19.91	14.53
6 Engineering-Aerospace(7)	350.46	+1.6	345.00	340.39	342.28	331.01	10.09	5.11	12.62	1.03
7 Engineering-General(52)	545.55	−0.3	546.95	547.17	552.90	493.59	7.34	4.36	17.42	1.29
8 Metals & Metal Forming(11)	363.36	+0.2	362.82	359.54	363.66	325.93	4.78	3.65	30.45	0.29
9 Motors(18)	395.24	−0.8	398.50	400.80	404.00	313.76	5.01	5.93	29.37	0.00
10 Other Industrials(18)	2014.29	+0.6	2002.07	2009.26	2014.86	1587.34	6.17	4.22	19.67	0.39
21 CONSUMER GROUP(232)	1675.08	+0.1	1673.03	1675.25	1687.78	1681.55	7.06	3.58	17.57	3.39
22 Brewers and Distillers(26)	1932.30	+0.1	1930.22	1945.86	1969.46	2127.60	8.72	3.92	13.39	10.18
25 Food Manufacturing(22)	1402.75	+0.9	1389.77	1377.09	1375.08	1367.24	7.53	3.80	16.56	1.54
26 Food Retailing(18)	3107.20	−0.1	3109.01	3131.42	3200.52	2692.05	8.19	3.38	15.90	2.40
27 Health & Household([illegible])	3717.60	−0.4	3733.89	3708.60	3715.80	4338.32	6.31	3.20	18.31	0.64
29 Hotels and Leisure(20)	1312.72	−0.2	1315.29	1324.82	1330.74	1311.17	6.47	5.35	20.28	7.06
30 Media(33)	1859.69	+0.5	1850.02	1848.91	1844.36	1560.20	5.59	2.90	22.27	1.42
31 Packaging and Paper(23)	827.20	—	826.97	827.49	835.50	756.01	6.52	3.98	18.93	0.57
34 Stores([illegible])	1108.67	+0.4	1104.43	1113.90	1128.92	1077.69	6.46	3.29	20.55	2.92
35 Textiles(20)	786.85	+0.3	784.19	784.71	787.30	653.63	8.26	4.03	30.24	0.49
40 OTHER GROUPS(148)	1482.71	+0.5	1475.10	1473.36	1484.15	1239.54	8.16	4.45	15.12	3.36
41 Business Services(27)	1634.59	+0.8	1621.96	1614.31	1634.33	1397.84	5.49	3.15	22.48	0.33
42 Chemicals(23)	1489.25	+2.4	1454.14	1452.40	1457.08	1505.48	5.81	4.81	21.48	0.45
43 Conglomerates(11)	1474.22	−0.3	1478.86	1479.63	1476.58	1344.72	7.17	5.42	15.78	2.79
44 Transport(16)	2880.55	−0.2	2885.94	2890.57	2922.96	2425.45	7.42	4.13	16.29	3.49
45 Electricity(16)	1638.80	−0.3	1643.69	1647.02	1638.96	1236.63	13.22	4.64	9.72	16.54
46 Telephone Networks(4)	1705.12	+0.8	1691.47	1682.08	1694.69	1420.54	7.71	4.01	16.89	1.63
47 Water(13)	3433.21	−0.8	3460.73	3456.65	3462.13	2468.12	13.16	5.16	8.44	11.83
48 Miscellaneous(32)	2408.31	+1.0	2384.31	2388.40	2457.78	1834.30	6.06	4.27	20.79	0.46
49 INDUSTRIAL GROUP([illegible])	1432.48	+0.3	1428.82	1430.15	1440.33	1317.63	7.27	4.07	17.18	2.95
51 Oil & Gas(18)	2359.19	+0.1	2357.35	2352.30	2324.89	2055.88	6.09	5.40	21.35	5.08
59 "500" SHARE INDEX([illegible])	1516.71	+0.2	1513.13	1514.04	1521.90	1387.34	7.14	4.21	17.54	3.14
61 FINANCIAL GROUP([illegible])	953.44	+0.7	947.18	950.82	981.12	723.54	4.02	4.81	41.00	2.45
62 Banks(9)	1314.64	+0.7	1305.44	1312.12	1336.29	903.24	6.26	4.53	21.87	5.72
65 Insurance (Life)(6)	1921.74	+1.7	1889.97	1908.88	1909.26	1462.90	2.63	4.73	66.87	0.00
66 Insurance (Composite)(7)	625.59	—	625.65	623.88	629.12	465.83	‡	5.09	‡	0.00
67 Insurance Brokers(10)	773.69	—	773.79	776.91	778.34	967.64	7.80	6.90	17.77	0.86
68 Merchant Banks(6)	596.88	+0.5	593.77	590.38	590.27	470.25	7.16	3.83	18.37	0.00
69 Property(28)	723.47	+0.1	722.83	724.71	724.10	735.80	7.76	5.65	16.68	1.04
70 Other Financial(23)	342.87	+1.1	338.85	338.20	337.01	247.47	6.40	5.02	20.52	0.19
71 Investment Trusts(107)	1437.17	+0.3	1433.16	1434.25	1436.12	1191.05	2.32	2.94	43.17	4.43
99 FT-A ALL-SHARE([illegible])	1381.52	+0.3	1377.40	1378.84	1386.90	1229.38	6.55	4.26	19.49	3.00

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	2828.3	2821.4	2820.1	2811.7	2814.4	2815.7	2818.7	2820.1	2827.8	2829.3	[illegible]
FT-SE Mid 250	3033.7	3033.2	3033.7	3028.6	3028.9	3029.0	3029.9	3029.7	[illegible]	3035.0	3028.2
FT-SE-A 350	1398.6	1395.9	1395.4	1391.7	1392.6	1393.0	1394.5	[illegible]	1398.0	1399.0	1390.9

Gross dividend yield (ACT at 25%) FT-SE 100: 4.27%

FT-SE Actuaries 350 Industry Baskets

Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous close	change
Construction	1633.7	1633.7	1633.2	1633.9	1632.7	1630.4	1631.8	1631.8	1631.8	1631.8	1633.6	-2.0
Health&H	1128.3	1124.3	1121.3	1118.0	1117.5	1117.1	1118.7	1115.9	1117.4	1118.8	1123.7	-4.9
Water	1431.9	1425.8	1425.4	1420.8	1419.1	1419.6	1419.8	1419.6	1419.8	1419.2	1431.1	-11.9
Banks	1585.0	1592.0	1594.1	1577.9	1582.0	1587.6	1590.1	1591.6	1597.1	1597.0	1585.7	+11.3

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address.
The increase in the size of the FT-Actuaries All-Share Index from January 4 1993 means that the FT 500 now contains more stocks. It has been renamed the FT "500". † Sector P/E ratios greater than 80 are not shown ‡ Values are negative
The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times Limited 1993. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.
The FT-SE Actuaries Share Indices are audited by The WM Company.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or −	1992/93 high	1992/93 low	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)							
Treas 10pc 1993‡‡		100⅛	—	101½	99⅛	9.94	6.05
12½pc 1993‡‡		102⅛	—	104⅝	100½	12.19	5.71
Funding 6pc 1993‡‡		100⅛xd	—	100¼	96⅛	5.99	5.82
Treas 13¾pc 1993‡‡		105½	−1/32	107⅝	103⅜	12.98	5.55
8½pc 1994		102⅝	−1/32	102⅞	96¾	8.28	5.81
14½pc 1994‡‡		108⅞xd	−1/16	110⅛	104⅜	13.34	5.82
Exch 13½pc 1994		108⅝	−1/16	110⅝	103½	12.41	5.85
Treas. 10pc Ln. 1994‡‡		105⅜	−1/16	105⅞	99⅞	9.49	5.87
Exch 12¼pc 1994		109¾	−1/16	110⅛	103⅛	11.40	5.94
Treas 9pc 1994‡‡		105¼	−1/16	105⅞	98⅝	8.54	5.98
12pc 1995		110⅝	−⅛	111⅝	102½	10.81	6.00
Exch 3pc Gas 90-95		95¾	—	95¾	88¼	3.18	4.71
10¼pc 1995		109⅜	−1/16	109⅞	99⅛	9.36	5.91
Treas 12¾pc 1995‡‡		116⅜	−1/16	116⅞	108⅛	10.93	5.96
14pc 1996		120⅛	−1/16	120⅝	109½	11.65	6.28
15¼pc 1996‡‡		125¼	−1/16	125⅝	113⅞	12.18	6.36
Exch 13¼pc 1996‡‡		119⅝	−1/16	120⅛	108	11.08	6.36
Conversion 10pc 1996		111⅛	−1/16	111⅝	98⅞	8.99	6.53
Treas 13¼pc 1997‡‡		122⅛	−1/16	122⅝	109½	10.84	6.67
Exch 10½pc 1997		113⅛	−1/16	113½	100⅞	9.29	6.66
Treas 8¾pc 1997‡‡		107⅝xd	−1/16	108⅛	94	8.11	6.69
Exch 15pc 1997		131⅛	+1/16	132⅛	117½	11.39	6.90
9¾pc 1998		111⅞	+1/16	112⅛	97½	8.71	6.83
Five to Fifteen Years							
Treas 7¼pc 1998		102⅝xd	—	102⅞	88½	7.14	6.92
Treas 6¾pc 1995-98‡‡		100⅛	−1/32	100⅜	85⅜	6.73	6.94
15½pc '98‡‡		137⅛xd	—	137⅝	123⅛	11.29	7.21
Exch 12pc 1998		121⅝	—	122⅛	107⅛	9.86	7.28
Treas 9½pc 1999‡‡		111⅛	−1/16	112⅛	97⅛	8.53	7.09
Exch 12¼pc 1999		123⅜xd	−1/16	123⅞	109½	9.92	7.37
Treas 10½pc 1999		116⅛	−1/16	116⅝	101⅝	9.04	7.21
Conversion 10¼pc 1999		115⅝	−1/16	116⅛	100⅝	8.88	7.29
9pc 2000‡‡		109⅝xd	−1/16	110	94⅛	8.22	7.24
Treas 13pc 2000		129⅛	—	129⅝	114⅜	10.03	7.66
10pc 2001		113⅝	−1/16	114⅛	99⅜	8.80	7.55
14pc '98-1		128⅜	+1/16	129⅛	115⅜	10.86	7.25
9¾pc 2002		112⅛xd	—	113⅛	98⅛	8.67	7.86

BRITISH FUNDS - Cont.

	Notes	Price £	+ or −	1992/93 high	1992/93 low	Yield Int.	Yield Red.
8pc 2003 (£50 pd)		51⅛	−1/16	51⅝	49⅝	7.81	7.82
10pc 2003		113⅜xd	—	114⅛	100⅛	8.79	8.02
Treas 11½pc 2001-4		120⅜xd	−1/16	121⅛	107⅛	9.53	7.96
Funding 3½pc '99-4		72⅝	+⅛	72⅞	60½	4.82	7.03
Conversion 9½pc 2004		110	+1/16	110⅛	96⅝	8.64	8.14
9½pc 2005		110⅛	+1/16	110¼	96⅝	8.63	8.18
Treas 12½pc 2003-5		128⅝	+1/16	129¼	116⅛	9.70	8.36
8pc 2002-6‡‡		99⅛	−⅛	99⅞	85½	8.05	8.10
Treas 11¾pc 2003-7		122⅝	—	123¼	110⅝	9.58	8.30
Treas 8½pc 2007‡‡		101⅝	−1/16	102¼	88½	8.35	8.27
8½pc 2007 B		71⅛	−1/16	71⅝	66¼	8.37	8.30
13½pc '04-8		136⅛xd	—	136½	123⅝	9.91	8.40
Over Fifteen Years							
9pc 2008‡‡		105⅝	−1/16	106⅛	93⅝	8.51	8.31
8pc 2009		96¼xd	−1/16	97⅛	85⅛	8.27	8.35
Conv 9pc Ln 2011‡‡		105⅛	+1/16	105⅜	93⅝	8.56	8.43
9pc 2011 C		18⅛	+1/16	18⅝	14⅜	8.60	8.46
Treas. 9pc 2012		105⅛	+⅛	105⅝	93⅝	8.56	8.44
Treas 5½pc 2008-12‡‡		73⅞xd	+1/16	74⅛	62⅞	7.46	8.20
7¾pc 2012-15‡‡		94⅛	−1/16	94½	81⅝	8.21	8.30
Exch 12pc '13-'17		132⅛	+1/16	132⅝	118⅝	9.08	8.63
Treas 8¾pc 2017		102⅛	+⅛	102⅞	91⅝	8.54	8.50
Undated							
Consols 4pc		46⅛	−⅛	46⅞	39⅞	8.64	-
War Loan 3½pc‡‡		40⅛	+1/16	40⅞	35⅛	8.68	-
Conv 3½pc '61 Aft.		61⅞xd	+¼	63⅛	59	5.66	-
Treas 3pc '66 Aft.		34⅛	−⅛	35⅛	29⅛	8.68	-
Consols 2½pc		29⅞	−⅛	30⅛	24⅛	8.37	-
Treas. 2½pc		29⅛xd	−⅛	29⅞	24⅛	8.51	-

BRITISH FUNDS - Cont.

Index-Linked	Notes (b)	Price £	+ or −	1992/93 high	1992/93 low	Yield (1)	Yield (2)
Treas. 2pc '94	(102.9)	132¼	+⅛	133¼	122⅞	-	0.81
2pc '96	(67.9)	186½xd	+⅛	187⅞	178⅝	1.41	2.18
4⅝pc '98	(135.6)	106⅜	—	106⅞	100⅛	[illegible]	2.82
2½pc '01	(78.3)	164⅞xd	−⅛	165⅛	139⅛	2.84	[illegible]
2½pc '03	(78.8)	161¼	—	161⅝	135	2.91	3.11
4⅜pc '04	(135.6)	108⅝	−⅛	110⅛	101⅛	2.99	3.22
2pc '06	(69.5)	166⅝	−⅛	166⅝	137⅛	3.02	3.26
2½pc '09	(78.8)	150¼	−⅛	150⅝	124⅝	3.22	3.43
2½pc '11	(74.6)	155¼	−⅛	155⅝	129⅛	3.29	3.49
2½pc '13	(89.2)	128⅛	−⅛	128⅝	106⅛	3.36	3.53
2½pc '16	(81.6)	135⅝	−⅛	136	112⅞	3.44	3.60
2½pc '20	(83.0)	129⅝	−⅛	129¼	107⅜	3.51	3.65
2½pc '24‡‡	(97.7)	107⅞	−⅛	107¼	88⅝	3.54	3.67
4⅛pc '30‡‡	(135.1)	108¼	−⅛	108¼	91⅝	3.55	3.66

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5% (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to January 1987. Conversion factor 3.945. RPI for June 1992: 139.3 and for January 1993: 137.9.

OTHER FIXED INTEREST

	Notes	Price £	+ or −	1992/93 high	1992/93 low	Yield Int.	Yield Red.
African Dev 11¼ 2010		120⅝	+¼	128⅜	105⅞	9.22	8.76
Asian Dev 10¼pc 2009		113⅝	−1/16	114⅛	100⅛	9.02	8.68
B'ham 11½pc 2012		119¼	—	119½	102¼	9.64	9.38
Ireland Cap 8½pc '10		98½	—	100	86⅛	8.63	-
9pc Cap 1996		101¼	+¼	105½	90	8.89	-
13pc '97-2		114½	—	119¼	103⅞	11.36	-
Hydro Quebec 15pc 2011		144¼	+⅛	144¼	130⅞	10.41	9.76
Leeds 13½pc 2006		132¼	—	132¼	118¼	10.21	9.26
Liverpool 3½pc Irred.		34½	—	38	30	10.14	-
LCC 3pc '20 Aft.		31¼	—	32	27	9.60	-
Manchester 11½pc 2007		118	—	118	103¼	9.75	9.24
Met. Wtr. 3pc 'B'		68¼	—	68¼	53	4.65	7.66
N'wide Anglia 3⅝pc 2021		120¼	—	127	103¼	-	4.82
4¼pc IL 2024		118¼	—	118¼	103¼	-	4.65
Utd Mex States 16½pc 2008		136	—	136	121½	12.13	11.48

Continued on next page

LONDON SHARE SERVICE

AMERICANS

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1992/93 high	low	Yld Gr's	NAV	Dis or Pm(-)
Scottish Inv	♣□	183	-1	200	147	3.2	234.0	17.5
Warrants	□	45	—	48	21	–	–	–
Scot Mortgage	♣†□	169	—	169½	135	2.8	220.7	14.4
Scot National Inc	♣K□	93xd	—	107	85¼	10.8	–	–
Cap	□	24	+1	42	12½	–	63.2	63.6
Stepped Pf		151¼xd	-½	155½	128	6.3	–	–
Zero Div Pf		205	-½	212	168½	–	–	–
Warrants		4	—	9	3	–	–	–
Scot Value	†8	77½	+½	77½	48	3.1	75.7	-2.1
Sec Alliance	♣†	1473	+3	1493	1085	3.3	1613.2	8.7
Second Consid.	□	107	—	108	88	–	182.0	41.2
Second Market	♣	300	+1	308	222	0.7	348.8	13.5
Sec Tst Scot	♣□	81½	—	83½	61	6.3	84.4	3.6
Select Assets		122	—	125	78½	1.3	170.1	28.3
Eq Ind Serl		130	—	133	105	4.4	–	–
Eq Ind Serll		130	—	133	108	4.4	–	–
SHIRESCOT	♣H	121	—	123	96	5.8	120.8	0.9
Shires	♣	255	—	282	188	8.6	240.6	-6.0
11pc Cv Ln '03/04		£231½	—	£231½	285½	8.4	–	–
Siam Select		132	—	133	58	0.3	158.7	16.8
Warrants		37	—	37	10	–	–	–
Smaller Cos	□	97	—	98	88	3.8	102.0	5.4
Warrants		23	—	25	10	–	–	–
Sphere Inc	N□	18½	—	20	9½	20.6	31.7	41.6
Zero Div Pf		62¾	—	65¼	63¾	–	–	–
Surnit		45	—	55	30	3.7	93.5	51.9
TR City of Lon	□	133½	+½	137	97½	4.8	128.2	-4.0
TR Euro Growth	♣□	102	—	103	70	1.8	110.8	7.9
Pig Sub		44	+1½	64	27	4.1	–	–
TR Far East Inc	♣†□	135xd	—	139	76	4.4	136.8	0.8
Warrants		34½	—	38½	12	–	–	–
TR High Inc		114	—	118	91	7.8	111.8	-1.6
Sub	9	28	—	35	21	7.1	–	–
TR Pacific	♣□	134	+1½	134½	70	8.2	131.4	-1.6
[illegible]								

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INVESTMENT COMPANIES

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

METALS & METAL FORMING

[illegible]

MISCELLANEOUS

[illegible]

MOTORS

[illegible]

OIL & GAS

[illegible]

OIL & GAS - Cont.

[illegible]

OTHER FINANCIAL

[illegible]

OTHER INDUSTRIALS

[illegible]

PACKAGING, PAPER & PRINTING

[illegible]

PACKAGING, PAPER & PRINTING - Cont.

[illegible]

PROPERTY

[illegible]

STORES

[illegible]

TELEPHONE NETWORKS

[illegible]

TEXTILES

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

SOUTH AFRICANS

[illegible]

PLANTATIONS

[illegible]

MINES

[illegible]

MINES - Cont.

[illegible]

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ✲ USM: not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- § Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ◆ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other offical estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
E Auction basis
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1225 a year for each security shown, subject to the Editor's discretion

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FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378

AUTHORISED UNIT TRUSTS

[illegible]

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: [illegible]

OFFER PRICE: [illegible]

BID PRICE: [illegible]

CANCELLATION PRICE: [illegible]

TIME: [illegible]

HISTORIC PRICING: [illegible]

FORWARD PRICING: [illegible]

SCHEME PARTICULARS AND REPORTS: [illegible]

FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Sharp (Albert E.) & Co (1000)F						
Admin 5 Rayleigh Rd Hutton, Brentwood Essex						
Enquiries 0277 227300 Dealing 0277 261010						
European	5	109.20	109.80	115.60	+0.90	1.39
Int'l Bond & Govt	5	127.00	127.20	133.90	+0.40	5.39
Pooled Pension ‡	7	150.5	154.4	165.2	...	-
Smaller Cos	5	61.17	63.00	66.32	-0.04	1.98
UK General	5	114.50	116.30	122.40	-	2.79
Sheppards Unit Trust Mngmt Ltd (1200)F						
1 White Hart Yard, London Bridge SE1 071 407 5966						
Income	5	383.08	383.08	407.53	[illegible]	5.08
Global Inc	5	58.37	58.37	62.1	[illegible]	3.93
Brit Leaders	5	310.85	310.85	330.69	[illegible]	3.1
Intl Leaders	5	183.6	183.6	195.32	[illegible]	1.68
Fin Ser Eq Growth	3½	52.92	54.24	56.35	[illegible]	3.02
Singer & Friedlander UT Mgmt Ltd (1000)F						
PO Box 224 Beckenham, BR3 4TF 081-663 3003						
European Trust	6	53.17	53.17	56.56	+0.49	1.37
Far Eastern Tst	6	57.76	58.54	62.27	+0.95	0.80
Smaller Cos	5	142.2	146.6xd	156.0	+1.2	2.12
Smith & Williamson Unit Tst Mgrs (1600)F						
1 Riding House St, London W1A 3AS 071-637 5377						
S & W American ‡	5	263.6	264.2	279.5	+1.0	0.99
S & W Capital	5	114.9	114.9xd	123.1	+0.90	1.88
S & W Cash ‡	0	[illegible]	[illegible]	[illegible]	[illegible]	5.82
S & W European	5	116.8	116.9	123.6	+1.40	1.31
S & W Far Eastern	5	120.5	121.7	128.7	+0.70	0.16
S & W General	5	122.4	123.8xd	130.9	+0.10	1.52
S & W Income	5	109.8	111.0	117.4	-0.10	5.12
S & W Magnum	5	121.9	121.9	130.5	+0.80	2.00

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378

Pacific Life & Pensions Ltd

[illegible]

Property Life Assurance Ltd

[illegible]

Providence Capital Life Assc. Co Ltd

[illegible]

Provident Life Assoc Ltd

[illegible]

Provident Mutual Life Assc. Assn.

[illegible]

Prudential Assurance Co

[illegible]

Prudential Corporate Pension Funds

[illegible]

Prudential Individual Life Funds

[illegible]

Prudential Individual Pension Funds

[illegible]

Reliance Mutual

[illegible]

J Rothschild Assurance PLC

[illegible]

Royal Heritage Life Assurance Ltd

[illegible]

Royal Life Insurance Ltd

[illegible]

Royal Liver Assurance

[illegible]

Save & Prosper Group

[illegible]

Scottish Amicable

[illegible]

Scottish Equitable Life Assur. Soc.

[illegible]

Scottish Life Investments

[illegible]

Scottish Mutual Assurance plc

[illegible]

Scottish Provident Institution

[illegible]

Scottish Widows' Group

[illegible]

Skandia Life Assurance Co Ltd

[illegible]

Standard Life Assurance Company

[illegible]

Sun Alliance Group

[illegible]

Sun Life Unit Assurance Ltd

[illegible]

Swiss Life (UK) PLC

[illegible]

TSB Life Ltd

[illegible]

Target Life Assurance Co Ltd

[illegible]

Templeton Life Assurance Limited

[illegible]

Tunbridge Wells Equitable

[illegible]

Wesleyan Assurance Society

[illegible]

Windsor Life Assur Co Ltd

[illegible]

Woolwich Life Assurance Co Ltd

[illegible]

Zurich Life Assurance Co Ltd

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)

[illegible]

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

	Bid Price	Offer Price	+ or -	Yield Gross
CMI Fund Mngrs (IOM)				
Traders Fund Ltd H*	$16 81	18 18	-	-
*Dealings Wednesday				
City Financial Admin (IoM) Ltd				
Beckman Option & Warrants	0 36	0 44	..	0.00
Beckman Option & Warrants $	$0.51	0.64	[illegible]	[illegible]
Beckman Reserve Assets	102	102	....	0.00
Duncan Lawrie Inv. Mgt. Ltd				
DL Sterling	137 2	144 1	-	3.7
DL International	51 48	1 57	....	2.3
Gartmore Fund Managers (IoM)				
Intl Inc	17 4	18 5		4 0
* Projected Yield				
John Govett Management (IoM) Ltd				
Dis Geared Corr NAV Feb 12	$14 79		-	-
Paragon Plus Red Feb 1	£9 89		-	-
Paragon Stlg Red Feb 1	£11.33			-
SE Asian Wrt NAV Feb 18	$10 12			-
Govett Mngd Furs Feb 19	£13 65	14 93		-
Govett Mngd Furs Feb 19	$9 63	10 53		-
Mkt Horizons Inv Feb 18	$14 67			-
Mkt Horizons Inv Stng Feb 18	$6 87			-
Dlr Geared Bd Feb 12	$7 56			-
IBI Global Funds Limited				
Intl Stlg Grwth	£21 68	22 83		-
Intl $US Grwth	$18 02	18 98		-
High Income Gilt	£27 08	28 07		-
International Equity	£22 12	23 29		-
[illegible]	£24 45	25 34		-
Managed Currency	£28 10	28 39		-
Sterling Currency	£26 84	27 12		-
US$ Currency	$37 88	38 28		-
[illegible]	I£15 86	16 03		-
R & H Fund Managers Ltd				
LFM Sterling Fd	£11.29	11.77		-
[illegible]	£12.51	13.04		-
IMC Offshore Fd	£10 00	10.82		-

	Bid Price	Offer Price	+ or -	Yield Gross
John Govett Management (Jersey) Ltd				
Mergers Emg Co NAV Feb 25	$12 52		-	-
Spec Sits Fd NAV Feb 12	$10.8187		-	-
Paragon Fd NAV Dec 31	$10.52		-	-
Paragon Redemption	$9 90		-	-
Hungarian Inv Co Jan 31	$6 79		-	-
Managed Switcher	$9 5357	10.04	-	-
INVESCO MIM International Limited				
All Funds deal daily except where indicated				
Sterling Denominated Income Funds				
American Equity Inc	£1 974	2.119	+0.040	2.33
Japan Inc & Grth	£1.534	1.647	+0 002	-
Sterling Denominated Growth Funds				
[illegible]	£38 42	38 43	-	-
European Perform	£0 4615	0 4962	+0 0016	-
Far East	£2.835	3 048	+0 049	-
Pioneer Markets	£3 971	4.270	+0 066	-
UK Growth	£1.218	1.310	-0.002	1.58
E Mng Portfolio	£1 719	1.858	+0.004	-
US Dollar Denominated Growth Funds				
Japan Performance	$2.104	2.262	-0.010	-
Gtd NW 1994	$9.16	-	-	-
MIM Leader Agents				
Apollo Fd Feb 24	SFr88.0	94.46		-
*Weekly Dealing. †Fortnightly Dlng **Monthly Dlng.				
Lloyds Bank Trust Co (CI) Mngrs				
Lloyds World Inv Port	£2.597	2.762	+0 009	1.21
Dealing Weekly on Thursday				
Management International (Jersey) Ltd				
Anchor Gilt Edge Ld	£10 12	10.17	-0 03	9.25
Minerals, Oils Res. Shrs. Fd. Inc.				
Mores Feb 25	$13 95	14.24	+0.13	2.81
For Nat. Westminster see Coutts & Co				
Northgate Unit Tst. Mngr. (Jersey) Ltd				
Pacific Fund Feb 25	$36.27	38.58	+0.20	-
Perpetual UT Mngrs (Jersey) Ltd				

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

D-Mark loses a little shine

THE D-MARK yesterday lost some of the strength it had built up against European currencies in recent days, but there were signs of another impending storm in the exchange rate mechanism, *writes James Blitz.*

The peseta, which came under strong selling pressure against the D-Mark at the start of the week, was looking comfortable by yesterday's close. Once again, the Bank of Spain intervened in the market to support its currency, holding it to a close of Pta71.93 against the D-Mark from a previous Pta71.94.

The D-Mark lost some shine against the dollar, partly helped by expectations of a high figure for fourth quarter GDP in the US today. The dollar closed at DM1.6345 up from a previous DM1.6195.

Even sterling and the lira managed to shake off the gloom of recent days. The lira closed at L964.9 against the D-Mark from a previous L985.0, helped by a victory for Mr Amato, the Italian prime minister, in a crucial confidence vote in the Italian parliament. Sterling also closed up a pfennig at DM2.3375.

The immediate outlook for most currencies depends on whether Germany cuts interest rates again. The French authorities appeared to be under a little more pressure yesterday, with the 3-month French franc interest rate rising to 12⅛ per cent as the currency came close to dipping below FFr3.40.

The franc also closed slightly weaker on its divergence indicator in the European Monetary System, to -41 per cent.

Several UK economists take the view that the prospect of lower German inflation and the deepening recession will allow the Bundesbank to cut interest rates very soon.

Ms Jane Edwards, international economist at Lehman Brothers in London, believes the Bundesbank will ease aggressively from the spring. She told a conference in London yesterday that German call money will fall below 6 per cent by the end of this year, moving to 4 per cent in the course of 1994. This is a far more radical view than the market is taking.

Mr Gerard Lyons, chief economist at DKB International in London, also believes that a 50 basis point cut in official German rates is possible next Thursday.

However, remarks yesterday by Mr Hans Tietmeyer, the Bundesbank Vice-President, raised speculation that policy may be on hold for longer. "If the Bundesbank were to turn away from its stability-oriented policy, serious consequences for the exchange rate and the level of prices could not be ruled out," he said.

A poorer-than-expected set of inflation figures in some German states may also have made a cut less likely next week. "It is the same old story," said Mr Jeremy Hawkins of Bank of America in London. "At best, we are still looking at 6 or 7 per cent interest rates in Germany by the end of the year."

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Feb 25	% Change from Central Rate	% Spread v Weakest Currency	Divergence Indicator
Spanish Peseta	142.150	139.086	-2.16	2.46	[illegible]
Irish Punt	0.809996	0.796380	-1.68	1.95	[illegible]
Portuguese Escudo	180.624	178.059	-1.42	1.68	[illegible]
Dutch Guilder	2.20045	2.17695	-1.07	1.32	[illegible]
Belgian Franc	40.2802	39.8667	-1.03	1.28	[illegible]
D-Mark	1.95294	1.93525	-0.91	1.15	[illegible]
Danish Krone	7.44934	7.41734	-0.43	0.67	[illegible]
French Franc	6.54988	6.56530	0.24	0.00	-39

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by Financial Times.

£ IN NEW YORK

[illegible]

STERLING INDEX

[illegible]

CURRENCY RATES

[illegible]

CURRENCY MOVEMENTS

[illegible]

OTHER CURRENCIES

Feb 25	£	$
[illegible]	[illegible]	[illegible]
Korea(Sth)	1127.00 - 1143.15	792.20 - 798.40
Kuwait	0.43900 - 0.44000	0.30710 - 0.30760
Luxembourg	48.05 - 48.15	33.60 - 33.70
Malaysia	3.7630 - 3.7730	2.6290 - 2.6300
Mexico	4.4315 - 4.4345	3.0925 - 3.0945
N Zealand	2.7355 - 2.7395	1.9090 - 1.9115
Saudi Ar	5.3750 - 5.3860	3.7495 - 3.7505
Singapore	2.3485 - 2.3545	1.6410 - 1.6430
S Af (Cm)	4.4775 - 4.4880	3.1225 - 3.1275
S Af (Fn)	6.5765 - 6.5965	4.5270 - 4.5370
Taiwan	37.10 - 37.25	25.90 - 26.00
U.A.E.	5.2595 - 5.2730	3.6715 - 3.6735

*Floating rate. Iran Official rate: £98.50 $66.30

POUND SPOT - FORWARD AGAINST THE POUND

Feb 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4220 - 1.4365	1.4295 - 1.4305	0.40-0.38cpm	3.27	1.07-1.04pm	2.95
Canada	1.7895 - 1.8050	1.7915 - 1.7925	0.15-parcpm	0.50	0.18-0.01pm	0.21
Netherlands	2.6025 - 2.6325	2.6225 - 2.6325	[illegible]	-2.00	[illegible]	-1.90
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

[illegible]

EURO-CURRENCY INTEREST RATES

[illegible]

EXCHANGE CROSS RATES

[illegible]

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Pesetas per 100.

FINANCIAL FUTURES AND OPTIONS

[illegible]

LONDON (LIFFE)

[illegible]

CHICAGO

[illegible]

PARIS

Strike	Calls March	Calls June	Calls September	Puts March	Puts June	Puts September
113	0.56	-	-	-	0.28	-
114	-	2.26	-	0.42	0.46	0.77
115	-	1.51	-	-	0.74	0.99
116	-	0.96	-	-	1.15	-
117	-	0.52	1.10	-	-	-
Open Int	110,607	144,242	14,374	116,713	73,935	8,420

Estimated volume 22,490 † Total Open Interest 543,539
† All Yield & Open Interest figures are for the previous day.

BASE LENDING RATES

	%		%		%
Adam & Company	6	Cyprus Popular Bank	6	Mount Banking	6
Allied Trust Bank	6	Duncan Lawrie	6	NatWestminster	6
AIB Bank	6	Equatorial Bank plc	6	Nykredit Mortgage Bnk	6.5
●Henry Ansbacher	6	Exeter Bank Limited	7	●Rea Brothers	6
B & C Merchant Bank	12	Financial & Gen Bank	7	Roxburghe Bank Ltd	6
Bank of Baroda	6	●Robert Fleming & Co	6	Royal Bk of Scotland	6
Banco Bilbao Vizcaya	6	Girobank	6	●Smith & Williamson Secs	6
Bank of Cyprus	6	●Guinness Mahon	6	Standard Chartered	6
Bank of Ireland	6	Habib Bank AG Zurich	6	TSB	6
Bank of India	6	●Hambros Bank	6	Unibank plc	6
Bank of Scotland	6	Heritable & Gen Inv Bk.	6	●United Bk of Kuwait	6
Barclays Bank	6	●Hill Samuel	6	Unity Trust Bank Plc	6
Brit Bk of Mid East	6	C. Hoare & Co	6	Western Trust	6
●Brown Shipley	6	Hongkong & Shanghai.	6	Whiteaway Laidlaw	6
CL Bank Nederland	6	Julian Hodge Bank	6	Yorkshire Bank	6
Citibank NA	6	●Leopold Joseph & Sons	6		
City Merchants Bank	6	Lloyds Bank	6		
Clydesdale Bank	6	Meghraj Bank Ltd	6		
The Co-operative Bank	6	McDonnell Douglas Bk.	6		
Coutts & Co	6	Midland Bank	6		
Credit Lyonnais	6				

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MONEY MARKETS

Sterling futures recover

SHORT-DATED sterling futures bounced sharply yesterday after the pound staged a mild recovery against the D-Mark on the foreign exchanges, *writes James Blitz.*

Throughout the week, the March contract has been steadily bid down to yesterday's low of 93.91 as dealers continue to assume that the pound's weakness eliminates any chance of a cut in UK base rates.

UK clearing bank base lending rate
6 per cent
from January 26, 1993

The March contract recovered yesterday to close at 94.01, partly reflecting sterling's rise above the the historic lows that were reached in foreign exchange trading on Wednesday.

One London-based dealer said that it would be hard to push the contract below 93.75, because dealers buying the contract below this level would be assuming some tightening of monetary policy by the middle of next month.

However, another dealer suggested that the contract could easily move 50 basis points either way in the next few weeks. "The pound is so weak that you cannot exclude the possibility that base rates will rise in the next few weeks," he said.

Dealing in the cash market was relatively quiet and 3-month money again closed at around 6⅛ per cent. However, a very large shortage is expected today and, according to one dealer, "it could be pretty nasty."

With the end of the month approaching, liquidity conditions in money markets are always tight.

However, one dealer said that a large number of bills are due to be drawn by corporates and institutions today, and the discount houses will have plenty to offer the Bank of England. However, if the shortage is very large, the Bank may be under pressure to offer a shorter-dated repurchase to ease conditions.

European interest rate markets were quiet. German call money rose sharply to over 9 per cent yesterday after the Bundesbank drew a large amount of liquidity in its weekly money market operations on Wednesday.

However, the Bundesbank's move was only technical, designed to ease the transfer to easier reserve requirements after this weekend.

The March Euromark contract closed 5 basis points higher at 91.88. The steady drip-drip of the March French franc contract continued: it closed at 88.13, down 5 basis points on the day.

FT LONDON INTERBANK FIXING

[illegible]

MONEY RATES

[illegible]

LONDON MONEY RATES

[illegible]

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

CROSSWORD

No.8,087 Set by GRIFFIN

ACROSS
1 Record of current matter (7)
5 Regular visitor found a boring part in colour (7)
9 Furnish sweetheart with clever saying (5)
10 I later returned, scoffed, and hit back (9)
11 Result of father shaking rug inside (9)
12 Dance with Brown when on leave (5)
13 Number of patients? (5)
15 Bee in a rug changes colour (9)
18 When outside spot primate taking key to nominated person (9)
19 Tipped the continental worker (5)
21 Member takes round a bouquet (5)
23 Hint at a record in the list (9)
25 Certain it could be involved (9)
26 Living in the country right by a river (5)
27 Series of street telephones (7)
28 Add less unusual seats (7)

DOWN
1 Mean to get girl in time (7)
2 Invite to send abroad for suit (9)
3 Sole attachment for walkers (5)
4 Scold great man for dancing last night (9)
5 That chair is hiding a trapdoor (5)
6 Account with a tear-off insertion having two sides (9)
7 There's water under the first coach (5)
8 Watches roe cooking – it looks horrible! (7)
14 Cause of downfall of unlofty Rita formed (9)
16 Rests the lungs? (9)
17 First gun Laura and I developed (9)
18 Bills one gets when wanting shrubs (7)
20 Climbing frame tires out students, admitted (7)
22 Swimmer much warmer when topless (5)
23 Caught girl being kind (5)
24 Left union leader free to be sensational (5)

Solution to Puzzle No.8,086

REARMOST TRIPOS
STALWART BILLET
SOUNDNESS SUSIE
MAIN SCANDAL
PEASANT FRET
AMEND CHORISTER
ELAINE SPEAKING
TRENDY ADHERENT

WORLD STOCK MARKETS

CANADA

TORONTO

4 pm close February 25

MONTREAL

4 pm close February 25

INDICES

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
BP	9,721,300	48¾	- ⅛
Chrysler	5,921,700	38½	+ 2⅝
Philip Morris	5,392,700	65⅝	+ 2⅞
RJR Nabisco	5,383,800	8⅝	+ ⅛
Merck	3,875,700	38½	+ ⅞
Johnson & Johnson	3,229,900	42⅝	+ 2¼
Abbott Labs	3,160,900	28	+ 1⅞
Bristol Myers	2,991,800	57⅞	+ ⅞
Am T & T	2,962,900	58⅝	+ 1⅞
Home Depot	2,830,000	63⅝	+ 2⅝

TRADING ACTIVITY

† Volume	Millions Feb 24	Feb 23	Feb 22
New York SE	298,890	321,050	311,510
Amex	15,989	18,548	17,341
NASDAQ	280,916	270,928	(u)
NYSE			
Issues Traded	2,461	2,465	2,468
Rises	1,213	1,058	1,049
Falls	697	916	942
Unchanged	551	511	477
New Highs	142	185	182
New Lows	14	42	66

	Feb 19	Feb 12	Feb 5	year ago (approx.)
Dow Industrial Div. Yield	3.07	3.00	3.01	2.78
	Feb 17	Feb 10	Feb 3	year ago (approx.)
S & P Industrial div. yield	2.55	2.47	2.46	2.60
S & P Ind. P/E ratio	28.51	27.38	27.44	25.03

CANADA TORONTO

	Feb 24	Feb 23	Feb 22	Feb 19	1992/93 HIGH	1992/93 LOW
Metals & Minerals	2922.28	2893.08	2907.28	2901.83	3236.87 (16/1/92)	2529.91 (17/11/92)
Composite	3455.75	3452.78	3447.87	3436.31	3886.00 (16/1/92)	3195.40 (14/10/92)
MONTREAL Portfolio	1781.47	1788.12	1785.01	1773.88	1937.58 (16/1/92)	1632.16 (14/10/92)

TOKYO - Most Active Stocks

Thursday, 25 February, 1993

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Showa Shell	19.1m	825	+25	Shizuoka Bank	2.3m	1,290	-10
Nippon Express	4.1m	721	+1	Toray Ind	2.2m	618	+13
Green Cross	3.7m	1,150	-20	Bank Yokohama	2.1m	920	-8
Npn Steel Corp	2.8m	281	-8	Furukawa Elect	2.0m	417	+20
Kokusai Elec	2.5m	780	-15	Mitsubishi Cable	1.9m	551	+18

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FINANCIAL TIMES

FAR MORE THAN FINANCE.

4 pm close February 25

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

1992/93 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close	Chge Prev. Close
22⅝	14⅞	Ruddick	0.24	1.1	16	85	21¾	21⅜	21½	+⅛
37	18	RussBerrie	0.70	2.9	5	604	24⅜	23¾	24⅛	+⅜
40⅝	27¾	Russell Cp	0.36	1.1	16	608	32⅝	32⅜	32⅝	+¼
32¼	19⅝	Ryder Syst	0.60	2.0	20	1834	29⅞	29⅝	29⅞	+¼
28	18	Ryland Grp	0.60	3.0	12	930	20¼	19⅞	20¼	+⅜
		- S -								
21¼	18⅞	S Anita RI	1.36	6.6	28	164	21	20⅝	20¾	-⅛
20⅝	13⅛	SCOR US Cp	0.28	1.4	18	7	20⅛	20	20⅛	
29½	19	SPS Techno	1.28	5.5	17	37	23⅜	23	23⅜	+⅛
15⅛	12⅞	Sabine Rif	1.25	9.5	10	172	13⅛	13	13⅛	+⅛
11⅞	7¾	Safecard	0.10	0.9	14	1524	10¾	10¼	10⅝	
23½	11⅞	Safeg'd Sc			10	122	21¾	20⅞	20⅞	
32¼	20	SafetyKln	0.36	1.6	28	2511	22¾	22	22⅜	+⅜
20¼	9⅝	Safeway			14	890	11⅞	11¾	11¾	-⅛
4⅝	2	Safeway/WS				119	2⅝	2½	2⅝	
41⅞	29⅞	StJoePaper	0.20	0.5	44	22	39	38⅞	38⅞	-⅛
36	28⅞	StJoeLP	1.76	4.9	16	6	35⅝	35¼	35¼	-⅜
83¼	68½	St Paul's	2.80	3.6	20	625	78	76⅝	78	+1⅝
10	2⅞	Salant Crp			6	7	8⅞	8¾	8⅞	
76	45½	Sallie Mae x	1.20	2.4	11	10505	53⅛	50½	50½	-1½
14⅝	13	Salomon Br	0.61	4.5		276	13⅝	13½	13½	
41⅞	26¾	Salomonlnc	0.64	1.6	9	1471	40⅝	40	40¼	
25⅛	21¼	SanDgo G&E	1.44	5.5	14	470	26⅜	26	26⅛	
4⅞	2⅞	SantaFeEDu	0.40	9.4	47	79	4¼	4¼	4¼	+⅛
9⅞	7	SantaFeERs	0.16	1.7	137	482	u9⅞	9⅝	9⅝	
39¾	30¾	SantaFePac	2.80	7.2	13	26	39¾	38⅞	38⅞	+⅛
35⅛	10⅝	SantaFeSth	0.10	0.7	40	5283	14⅜	13¾	13⅞	-⅛
32½	27	Sara Lee x	0.56	2.0	22	3725	29⅝	29⅛	29½	+⅜
[illegible]										

1992/93 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close	Chge Prev. Close
		- T -								
7⅝	3⅞	TCBY Enter	0.20	2.8	35	905	[illegible]			
34⅞	17½	TCF Financ	0.50	1.5	8	227	[illegible]			
9⅞	8⅛	TCW Conv S	0.84	8.6		253	[illegible]			
37⅞	24⅞	TDK Corp A	0.39	1.5	21	9	[illegible]			
6½	2⅞	T I S Mtge	0.20	7.0	1	178	[illegible]			
29¼	15⅜	TJX Cos	0.48	1.6	23	955	[illegible]			
21⅝	17¼	TNP Enterp x	1.63	8.6	18	176	[illegible]			
60¼	41	TRW Inc	1.88	3.2	18	1620	[illegible]			
30⅞	17⅞	T2 Medcl	0.05	0.3	11	2107	[illegible]			
30⅞	15½	Taiwan Fd				116	[illegible]			
4⅝	2¼	Talleyind	0.42	9.6	1	14	[illegible]			
8⅞	5	Talley Pf	1.00	12.1		z100	[illegible]			
70½	57⅝	Tambrands	1.52	2.5	19	1632	[illegible]			
16⅝	9⅞	Tandem			23	6028	[illegible]			
32⅛	22¼	Tandy Corp	0.60	2.4	11	1620	[illegible]			
14⅛	11⅞	Taurus Mun	0.84	6.5		58	[illegible]			
45⅛	36	Teco Energ	1.82	4.1	17	190	[illegible]			
25¼	16½	Tektronix	0.60	2.5	35	162	[illegible]			
3⅞	1⅞	Telecom Cp			14	75	[illegible]			
28¾	17⅛	Teledyne	0.80	3.8	25	737	[illegible]			
38⅞	25¾	TeleEspSA	1.32	4.2	8	801	[illegible]			
60	40⅞	Telmex ADR	0.48	1.0	276	20789	[illegible]			
57½	43⅞	Templeinl x	1.00	2.1	18	1579	[illegible]			
25¾	14⅛	TempltEmMk	6.02	38.2		145	[illegible]			
10½	8¼	TempltGlob x	0.78	8.9		227	[illegible]			
9⅞	8	TempltGIFd	0.72	8.6		886	[illegible]			
48¼	31¾	Tenneco Inc x	1.60	3.5	30	5300	[illegible]			
24⅛	19½	Teppco Pts	2.20	9.4	13	122	[illegible]			
20⅝	10	Teradyne			21	605	[illegible]			
18½	6⅞	Terex	0.08	0.5	2	74	[illegible]			
[illegible]										

[illegible]

NASDAQ NATIONAL MARKET

4 pm close February 25

[illegible]

AMEX COMPOSITE PRICES

4 pm close February 25

[illegible]

AMERICA

Drug stocks fail to maintain recovery

Wall Street

BIG board stocks moved lower yesterday morning, but the Nasdaq market held its ground in spite of a sell-off in biotechnology issues, *writes Karen Zagor in New York.*

At 1 pm the Dow Jones Industrial Average was 8.38 lower at 3,348.12. The more broadly based Standard & Poor's 500 was off 0.43 at 440.44, while the Amex composite gained 0.84 at 404.25, and the Nasdaq composite added 2.22 to 664.68. Trading volume on the NYSE was 148.5m shares by 1 pm, and rises outnumbered declines by 918 to 826.

The mixed tone of the market reflected continuing investor uneasiness about the Clinton administration's economic policy.

Drug company stocks, which recovered lost ground at midweek, once more turned lower yesterday morning. Merck was off $⅛ at $38⅝, Bristol-Myers Squibb lost $¼ to $57¼, Pfizer eased $⅛ to $57⅝ and Glaxo Holdings ADRs fell $¼ to $18⅝.

Among active NYSE stocks, Philip Morris dropped $1⅛ to $65¼, Chrysler firmed $¼ to $38⅝, Eastman Kodak rose $1⅞ to $52¼ and AT & T slipped $⅛ to $55⅝.

Office Depot climbed $1⅛ to $30⅛ after Merrill Lynch increased its near-term rating on the stock from "neutral" to above average.

In Nasdaq trading, Amgen tumbled $9¼ to $37 in very heavy trading after the biotechnology company warned investors to expect disappointing first quarter earnings on the back of slower-than-expected sales of its important Neupogen cancer drug.

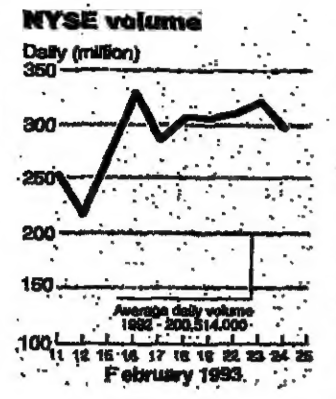
Other biotechnology issues also moved lower including Chiron, off $1⅞ at $47⅝ and Synergen, down $½ at $14⅛.

Cytogen fell $1 to $13¾ after Merrill Lynch downgraded its rating on the stock from "buy" to "near-term above average".

Nasdaq morning trading, however, was dominated by improving technology stocks. Intel added $⅜ to $118⅛, Microsoft firmed $4/8 to $84¼ and Microsoft improved $⅝ to $84¼.

Dell Computer, which dropped $6⅛ on Wednesday in active trading after the group withdrew a planned 4m common stock offering regained some ground yesterday. The stock rose $1⅜ to $31⅛.

NYSE volume



SAO PAULO, up 9.2 per cent last Friday before three days of carnival, came back rejoicing with another climb of 7.9 per cent in heavy mid-session trade. At 13.00 local time the Bovespa index was 1,063 higher at 14,526 after Mr Paulo Haddad, the economy minister, said that he planned to stretch the maturity of Brazil's public debt.

Canada

TORONTO eased in sympathy with midsession losses on Wall Street, pressured by weakness in gold shares but underpinned by gains in banking stocks.

At midday, the TSE-300 index was down 12.55 to 3,453.20 in turnover of C$215m. Advances led declines 282 to 239 with 244 unchanged.

Placer Dome posted the sharpest drop among gold miners, easing C$⅝ or 3.57 per cent to C$16⅞ on profit-taking as bullion futures pared earlier gains. Bramalea gained C$0.04 to C$0.57.

EUROPE

Royal Dutch results depress chemicals

FEBRUARY inflation numbers from three of western Germany's four largest states exceeded forecasts from most economists but neither this, nor a flat beginning for the Dow on Wall Street did more than moderate a good rise for the Eurotrack 100 constituents, *writes Our Markets Staff.*

AMSTERDAM was weaker in chemicals following results from Royal Dutch which featured a disappointing performance in that division. While Royal Dutch showed a slight 20 cent gain on the day to Fl 154.20, DSM slipped Fl 1.70 to Fl 71.80 and Akzo Fl 2.10 to Fl 147.80. The CBS Tendency index was unchanged on the day at 99.8.

Mr Marcel Bokhove, analyst with ABN-Amro in Amsterdam, commented that fourth quarter earnings for Royal Dutch came in better than expected, although mainly due to high currency exchange gains and less extraordinary losses. However, the chemical division's loss of £182m against £85m in the same 1991 period further illustrated the depressed state of the sector.

Unilever remained solid following its results earlier this week, closing at another record high, up Fl 2.50 at Fl 205.10, while Heineken put on Fl 4.20 or 2.4 per cent at Fl 181.20, partly on expectations of good figures next week.

VNU also rose to an intraday high of Fl 108 before closing 80 cents up at Fl 107.30 as rumours continued that it was to sell the majority stake in its printing division.

FRANKFURT recovered after two days of losses, the DAX index closing 14.67 higher at 1,658.91. Financials maintained their relative strength, led by a DM10 gain to DM693 for Deutsche Bank, and one of DM24 to DM2,235 for Allianz.

Turnover fell from DM7.4bn to DM5.4bn. Carmakers recovered some of their recent losses, with Volkswagen exceptionally strong as it put on DM5.40 to DM276.70. Chemicals were mixed with Bayer recovering from pressure associated with its pharmaceuticals interests, rising DM3.20 to DM270.70. But Hoechst eased 60 pfg to DM258.70 following an explosion at one of its chemical plants in a Frankfurt suburb this week.

MILAN was again alive with rumours and Fiat rose a further 8 per cent after a newspaper report that Renault was to buy a 40 per cent stake in the Italian group's core car and truck business.

The Comit index rose 4.05 to 506.80, also lifted by indications that the privatisation programme might soon move ahead after news that Iri had set criteria for the sale of Sme, the food group, which would protect the rights of minority shareholders.

Fiat shares fixed L262 higher at L5,780 and continued up to L5,980 after hours, in spite of denials of the report from Renault and Fiat.

Mr Matteo Amoretti, of Albertini in Milan, said it was the detailed nature of the newspaper report – which indicated that an announcement would come between March 10-13 and even suggested a price – that had sparked the renewed buying. However, he doubted whether a sale to a foreign, state-controlled company could go ahead without the approval of the Italian government, and questioned the logic of such a disposal after Fiat's government-backed investment in production capacity in southern Italy and the former eastern Europe.

PARIS shed most of Wednesday's gains with the CAC-40 index down 8.75 at 1,944.64 in turnover of some FFr2.9bn.

Casino declined FFr6 or some 4 per cent to FFr152 following 1992 results after Wednesday's close which disappointed the market.

Axa gained FFr16 to FFr1,159 after announcing a 16 per cent rise in 1992 turnover.

MADRID featured another sharp rise in Nissan Motor Iberica, heavily involved in commercial and off-road four-wheel drive vehicles, closing Pta42, or 15 per cent higher at Pta324 after a Nomura buy recommendation which said that new model introductions will allow NMI to double its current revenues by 1994. The general index rose just 0.10 to 228.00.

STOCKHOLM was stronger following recent weakness as the Affärsvärlden general index gained 11.4 to 989.2 in turnover down to SKr973m from SKr1bn.

SKF, which said that it would pay no dividend on its 1992 results, the first time in 70 years, was unchanged in the B shares at SKr76.50.

Astra recovered some of this week's losses although the announcement that the finance director was to resign did remove part of the gains and the B's finished SKr11 higher at SKr661.

COPENHAGEN saw a late rush to sell the March index future, and the KFX index fell 0.94 to 82.08. Den Danske Bank fluctuated after announcing a DKr1.74bn net loss, closing DKr7.50 lower at DKr290.50.

TEL AVIV recovered from a fall of more than 4 per cent on Tuesday with a gain in the index of 5.26 to 194.18.

FT-SE Actuaries Share Indices

February 25 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1124.81	1124.80	1122.74	1124.57	1126.04	1125.63	1125.14	1125.06
FT-SE Eurotrack 200	1176.41	1174.62	1174.18	1176.64	1177.26	1177.17	1178.92	1178.13

	Feb 24	Feb 23	Feb 22	Feb 19	Feb 18
FT-SE Eurotrack 100	1118.05	1119.41	1132.76	1136.60	1132.95
FT-SE Eurotrack 200	1172.14	1178.69	1190.84	1191.09	1191.03

Base value 1000 (26/10/90) Highday: 100 - 1126.76; 200 - 1180.21 Lowday: 100 - 1122.64 200 - 1173.04.

ASIA PACIFIC

Japan remains quiet ahead of G7 meeting

Tokyo

TRADING remained quiet ahead of this weekend's G7 finance ministers' meeting in London, and share prices closed higher after fluctuating on technical trading, *writes Emiko Terazono in Tokyo.*

The Nikkei average closed up 108.45 at 16,907.39 having risen to the day's high of 16,926.06 in the morning as arbitrageurs bought the index on the overnight rise in Nikkei futures in Chicago. However, prices fell to the day's low of 16,779.47 before receiving support from public fund buying.

Volume was 250m shares against 220m as gainers led losers by 474 to 451, with 196 issues unchanged. The Topix index of all first section stocks rose 2.92 to 1,278.20 and, in London, the ISE/Nikkei 50 index fell 0.16 to 1,025.71.

Although investors remain uncertain about corporate earnings and prospects of economic recovery, buying by public funds has provided a support around the 17,000 level.

With the currency market stable, exporters regained some ground: Sony rose Y40 to Y3,920 and NEC Y9 to Y624.

Showa Shell Sekiyu, the day's most active issue, closed up Y25 at Y825 after fluctuating in heavy trading.

The issue has plunged 45 per cent since last weekend's announcement of Showa's Y125bn foreign exchange loss. Other oil stocks, which were previously weak on Showa's fall, also rose.

Cable companies firmed on expectations that the government will increase spending on telecommunications as part of an expected economic package.

Sumitomo Electric gained Y25 to Y905 and Fujikura advanced Y10 to Y528.

In Osaka, the OSE average rose 5.81 to 18,067.89 in volume of 106.4m shares.

Roundup

PACIFIC Rim markets produced some strong performances.

SINGAPORE rose into record territory for the third straight day, boosted by late index buying. The Straits Times index rose 3.32 to 1,680.96 after losses in morning and early afternoon trade.

Trade in speculative Malaysian shares fuelled market activity with the over-the-counter Metroplex the most active, falling 7 cents to S$1.01 with 23.06m traded.

TAIWAN closed at its highest level since last July, boosted by a late wave of buying of financial shares.

The weighted index rose 107.38 or 2.7 per cent to 4,156.88, with the financial sector up 5.3 per cent in active turnover of T$40.5bn.

Banks, which led the market rally earlier in the month but fell prey to profit-taking in recent days, closed limit-up on expectations of big stock dividends next fiscal year.

AUSTRALIA staged a late advance on opposition suggestions of lower interest rates after the March 13 elections, the All Ordinaries index ending 2.1 higher at 1,606.9 in turnover of A$280.37m.

Brambles Industries shed 40 cents to A$15.80 on marginally lower interim net profits, and Lend Lease eased 12 cents to A$14.96 in spite of a slight rise in net profit and a higher dividend.

HONG KONG moved ahead but investors remained wary, waiting to see if publication of the governor's reform package would be delayed to allow talks with China on the issues. The Hang Seng Index advanced 26.19 to 6,203.88 as turnover dipped to HK$2.73bn.

KUALA LUMPUR saw late profit-taking and the composite index closed 4.61 higher at 638.83 due to gains in two major component stocks, in volume of a record 464.0m shares. Malayan United Industries rose 50 cents or 18 per cent to M$3.22 on rumours that Hong Leong's Quek Leng Chan was buying up the shares from the open market.

BOMBAY was unmoved by the disturbances in New Delhi, concentrating instead on expectations that Saturday's national budget would prove favourable to business. The BSE 30-share index rose 26 to 2,803 in light trading.

SEOUL ignored the inauguration of President Kim Young-sam and broadly-based selling pulled the market down. The composite index fell 17.20 to 655.61.

BANGKOK lost ground amid rumours about more share manipulation cases and heavy sales of Bangkok Bank as it announced a capital increase. The SET index dropped 4.59 to 954.53.

SOUTH AFRICA

SHARES closed lower with activity subdued ahead of De Beers' results early next month. The group's shares advanced 25 cents to R66.75 as the overall index lost 13 to 3,425. Industrials eased 9 to 4,493 and gold 26 to 1,001.

Norway is encouraged by cuts in interest rates

But export markets hold the key, says **Karen Fossli**

On Monday the Bank of Norway cut its key overnight lending rate from 9.50 to 9.25 per cent, the third cut this month and the benchmark rate's lowest level since it was introduced in 1986.

The All-Share index rose 5.17 to 406.92 on the day, just below a 1993 high of 407.38 achieved earlier this month. But it has been unable to retain its strength, although yesterday gained 1.25 to 401.74 on a stronger dollar.

Lower interest rates are expected to be the driving force behind an advance in share prices later this year, but the potential upswing will be restricted by sluggish export markets in Europe and limited US economic recovery.

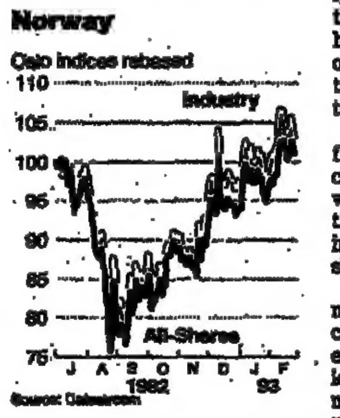
Most analysts believe that further cuts in German interest rates will pave the way for even lower rates in Norway, and lead to further strength in the dollar, both beneficial for the country's export-based shares.

However, Mr Tage Haug, an analyst at Kleinwort Benson Securities, cautions that lower interest rates will not necessarily lead to Norway outperforming Europe, since Belgium, France and Spain are more interest-rate sensitive markets; he thinks that further reductions in German interest rates could inspire a five per cent increase in prices.

Few analysts believe that Oslo will take off before real growth in international export markets can be achieved, and this is not widely expected to happen before 1994. While US recovery and a firmer dollar are positive news for Norway, recession in Europe and Japan make it too early to overweight a market in which most companies are raw materials producers.

"Lower interest rates provide a good, underlying basis for growth", says Ms Mary Berg, an analyst at James Capel, "but international demand needs to pick up before a major upswing in Norway can be expected. Norwegian companies have been working very hard to reduce costs and restructure, but their Nordic competitors have benefited from higher gains from currency devaluations than that of the krone."

Norway



But equity investors need to be convinced that the market will not deteriorate as it did in 1992. Last year the All-share index hit a high of 464.24 on January 17; then, due to a spate of bad news in the autumn and turbulence in the foreign exchange markets, it plunged to a year's low of 300.04 on August 25.

Investors may be encouraged by currency factors. Norway was forced to float the krone on December 10 and the currency has fallen by just three to four per cent against the Ecu since then; but the Oslo market's industry index – grouping export-based companies together with oil shares – reached a high of 726.74 on January 10 after a 1992 low of 532.43 last August 25, and has held most of that ground since then.

Mr Klas Andersson, an analyst with Goldman Sachs, says that the effective devaluation has been smaller than previously envisaged, and will lead to smaller devaluation gains in terms of earnings.

In fact, what the currency float did allow was significantly lower interest rates, and with short-term rates down to their lowest level in years, investor focus this month has shifted to long-bonds.

The yield on the government's S-448 bond fell to 8.7 per cent from 9.3 per cent at the end of January, the lowest level in nearly 15 years. Goldman Sachs believes bond yields may come down to 8-8.5 per cent this year.

Some analysts believe that the rally in the bond market will filter though to equities later this year. Several of Norway's blue-chip companies, including Norsk Hydro, Elkem and Bergesen, have warned shareholders not to expect substantial improvement this year and the question is whether domestic, and foreign investors will have the confidence to look at 1994.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY FEBRUARY 24 1993								TUESDAY FEBRUARY 23 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992/93 High	1992/93 Low	Year ago (approx)
Australia (68)	130.97	−0.2	135.12	96.74	110.27	125.05	−0.2	3.53	131.18	133.30	96.73	109.97	125.33	153.68	108.18	146.30
Austria (18)	147.07	−0.6	151.74	108.64	123.83	123.83	−0.6	1.81	147.93	150.32	109.06	124.01	124.56	186.70	131.16	181.70
Belgium (42)	142.91	−0.3	147.45	105.55	120.33	117.71	−0.3	5.13	143.33	145.65	105.68	120.16	118.06	162.27	131.19	138.34
Canada (113)	119.61	−0.1	123.40	88.34	100.70	109.39	+0.5	3.01	119.76	121.70	88.30	100.39	108.84	142.12	111.36	135.94
Denmark (33)	206.25	−0.4	212.79	152.34	173.66	174.27	−0.3	1.50	207.14	210.49	152.74	173.65	174.74	273.94	161.70	246.36
Finland (23)	69.73	−0.4	71.95	51.51	58.72	88.57	+0.4	1.52	70.02	71.15	51.63	58.70	88.18	89.80	52.84	84.90
France (98)	157.61	+0.0	162.61	116.55	132.86	135.96	+0.3	3.30	157.81	160.36	116.36	132.29	135.53	168.75	136.93	154.57
Germany (62)	111.60	−1.5	115.15	82.44	93.97	93.97	−1.0	2.43	113.25	115.08	83.52	94.94	94.94	129.69	101.59	118.69
Hong Kong (55)	249.24	+0.9	257.15	184.09	209.86	247.40	+0.9	3.65	247.01	251.00	182.13	207.09	245.15	262.26	176.36	196.83
Ireland (16)	135.03	−0.6	139.31	99.74	113.69	128.97	+0.1	4.18	135.83	138.02	100.15	113.67	126.87	173.71	122.98	161.94
Italy (75)	58.49	−1.2	60.35	43.20	49.25	69.68	+0.1	2.96	59.18	60.14	43.64	49.61	69.61	80.86	47.47	75.99
Japan (472)	109.41	−0.7	112.88	80.81	92.13	80.81	−0.5	1.03	110.14	111.92	81.21	92.34	81.21	140.95	87.27	117.67
Malaysia (69)	274.13	+1.0	282.82	202.47	230.80	277.29	+1.0	2.41	271.48	275.87	200.17	227.59	274.62	282.42	212.49	244.54
Mexico (18)	1448.60	−2.2	1494.56	1069.97	1219.68	4898.76	−2.2	1.22	1481.15	1505.10	1092.15	1241.70	5008.84	1739.77	1186.84	1683.19
Netherland (25)	160.61	−0.8	165.71	118.63	135.23	133.67	−0.3	4.28	161.84	164.46	119.34	135.66	134.10	169.70	147.88	150.03
New Zealand (13)	45.18	−0.8	46.62	33.36	38.05	45.69	−0.7	4.79	45.53	46.27	33.58	38.17	45.99	48.52	37.39	46.14
Norway (22)	140.59	−0.9	145.05	103.85	118.38	132.10	−0.9	1.94	141.83	144.12	104.56	118.90	133.26	192.95	128.05	161.26
Singapore (38)	223.79	+0.3	230.89	165.30	188.42	169.13	+0.2	1.95	223.03	226.63	164.45	186.97	168.71	229.83	179.65	214.80
South Africa (60)	167.05	−0.2	172.35	123.38	140.65	166.24	−0.1	3.06	167.32	170.03	123.38	140.27	166.40	263.60	134.21	217.81
Spain (46)	123.89	+0.7	127.82	91.51	104.31	109.48	+0.0	5.55	123.02	125.01	90.72	103.13	109.46	161.72	107.10	158.34
Sweden (36)	154.59	−3.6	159.50	114.19	130.17	179.42	−1.5	2.27	160.17	162.76	118.11	134.26	182.22	200.26	149.69	174.52
Switzerland (56)	110.82	−0.5	114.33	81.86	93.32	102.95	+0.5	2.08	111.37	113.17	82.12	93.37	102.42	122.37	95.99	99.07
United Kingdom (226)	163.41	−1.6	168.59	120.69	137.57	168.59	−0.1	4.37	166.06	168.76	122.45	139.22	168.76	200.07	161.86	178.55
USA (522)	179.95	+1.4	185.66	132.92	151.52	179.95	+1.4	2.81	177.41	180.28	130.82	148.74	177.41	183.74	160.92	169.51
Europe (778)	136.80	−1.1	141.14	101.05	115.19	129.51	−0.2	3.62	138.33	140.57	102.06	115.97	129.75	158.88	131.31	145.51
Nordic (114)	146.11	−2.3	150.74	107.92	123.02	146.70	−1.0	1.98	149.51	151.93	110.25	125.34	148.18	188.52	141.24	172.76
Pacific Basin (715)	114.81	−0.6	118.45	84.80	96.67	87.28	−0.4	1.36	115.40	117.26	85.09	96.74	87.60	141.97	93.70	121.26
Euro – Pacific (1493)	123.69	−0.8	127.61	91.35	104.14	104.00	−0.3	2.38	124.66	126.68	91.91	104.50	104.30	145.21	113.80	131.22
North America (635)	176.20	+1.4	181.79	130.16	148.38	175.16	+1.4	2.82	173.83	176.64	128.18	145.75	172.76	179.66	158.70	167.38
Europe Ex. UK (552)	119.88	−0.8	123.68	88.56	100.95	107.70	−0.2	3.12	120.80	122.76	89.09	101.30	107.96	132.98	111.33	125.33
Pacific Ex. Japan (243)	167.74	+0.4	173.06	123.91	141.25	154.63	+0.4	3.47	167.00	169.70	123.16	140.02	153.98	175.31	146.06	156.65
World Ex. US (1684)	124.82	−0.8	128.78	92.20	105.10	106.04	−0.3	2.40	125.78	127.81	92.75	105.45	106.33	146.91	115.98	133.32
World Ex. UK (1980)	140.43	+0.3	144.88	103.73	118.25	124.82	+0.5	2.38	139.94	142.20	103.19	117.33	124.21	150.68	127.21	141.26
World Ex. So. Af. (2146)	142.38	+0.2	146.89	105.17	119.89	128.33	+0.4	2.57	142.15	144.45	104.83	119.18	127.76	153.05	130.04	144.06
World Ex. Japan (1734)	161.25	+0.4	166.37	119.11	135.79	156.77	+0.6	3.11	160.54	163.14	118.39	134.61	155.58	165.40	151.93	160.05
The World Index (2206)	142.44	+0.2	146.96	105.22	119.94	128.69	+0.4	2.57	142.23	144.52	104.86	119.24	128.13	153.70	130.66	144.82

Latest prices were unavailable for this edition.